Trust Modaraba

Managed By:

Al-Zãmin Modaraba Management (Private) Limited.

ANNUAL REPORT 2026

www.trustmodaraba.com

CONTENTS

02 CORPORATE INFORMATION

03 MISSION STATEMENT

04 NOTICE OF ANNUAL REVIEW MEETING

05 REVIEW REPORT BY THE CHAIRMAN

06 DIRECTOR'S REPORT

11 DIRECTOR'S REPORT URDU

17 KEY OPERATING AND FINANCIAL DATA

18 STATEMENT OF COMPLIANCE

22 REPORT OF SHARI'AH ADVISOR

23 INDEPENDENT ASSURANCE REPORT

24 AUDITOR'S REPORT

31 INDEPENDENT AUDITOR REVIEW REPORT

33 GENDER PAY GAP STATEMENT

34 STATEMENT OF FINANCIAL POSITION

35 STATEMENT OF PROFIT AND LOSS

36 STATEMENT OF COMPREHENSIVE INCOME

37 STATEMENT OF CHANGES IN EQUITY

38 CASH FLOW STATEMENT

39 NOTES TO THE FINANCIAL STATEMENT

88 PATTERN OF CERTIFICATE-HOLDING

89 CATEGORIES OF CERTIFICATE HOLDERS

CORPORATE INFORMATION

MODARABA COMPANY
AL-ZAMIN MODARABA MANAGEMENT (PRIVATE) LIMITED

BOARD OF DIRECTORS

Mr. Mian Sheikh Arshad Farooq	Chairman
Mr. Muhammad Yasin	Chief Executive
Dr. Mrs. Namoos Baquar	Non-Executive Director
Mr. Syed Etrat Hussain Rizvi	Independent Director
Mr. Muhammad Sami Ullah	Independent Director
Mr. Imran Iqbal	Independent Director
*Mrs. Kauser Safdar	Non-Executive Director

* appointed subsequent to the year end to fill in the casual vacancy.

MANAGEMENT

Mr. Muhammad Yasin	Chief Executive
Ms. Hamida Aqeel	Chief Operating Officer/Company Secretary
Mr. Muhammad Wajid	Chief Financial Officer

AUDIT COMMITTEE

Mr. Syed Etrat Hussain Rizvi	Chairman
Mr. Imran Iqbal	Member
Mr. Muhammad Sami Ullah	Member
Ms. Hamida Aqeel	Secretary, Audit Committee

HUMAN RESOURCE COMMITTEE

Mr. Muhammad Sami Ullah	Chairman
Mr. Muhammad Yasin	Member
Mr. Imran Iqbal	Member
Dr. Mrs. Namoos Baquar	Member
Ms. Hamida Aqeel	Secretary, Human Resource Committee

INTERNAL AUDITORS
Bilal & 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 Associates

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 (ARM)

The Annual Review Meeting of the Certificate Holders of Trust Modaraba will be held on Thursday, 22 October, 2026 at 10:00 am at NBFI & Modaraba Association of Pakistan, 602, Progressive Centre, 30-A, Block-6, PECHS, Shahrah-e-Faisal, Karachi, to review the performance of the Modaraba for the year ended June 30, 2026.

The certificate transfer books of the Modaraba will remain closed from Thursday, October 15, 2026 to Thursday, October 22, 2026 (both days inclusive). For Modaraba Certificate transfers, M/s. Hameed Majeed Associates (Pvt.) Ltd. may be contacted at 1st Floor, H.M. House, 7-Bank Square, Lahore. Tel: 042-37235081-82. Transfers received in order at the office of the Registrar before the close of business hours on Wednesday, October 14, 2026 will be treated as in time for the purpose of attending the meeting.

Participation in the meeting:

I. Physical attendance:

Certificate holders whose names appear in the register of certificate holders of the Modaraba at the close of business on October 14, 2026, are entitled to attend the Annual Review Meeting.

II. Participation through video conferencing facility:

Virtual Participation in the ARM: Members interested in participating in the ARM proceedings through video-link are requested to provide the following details by email at info@trustmodaraba.com :

Name of Shareholder	CNIC No.	Folio No./ CDS Account No.	No. of Shares	Contact No.	Email Address

The video link for joining the ARM will be shared one day before the meeting with those Members whose requests, containing all the required particulars, are received at the above email address by 5:00 p.m. on Tuesday, October 20, 2026. The login facility will remain available until the conclusion of the meeting on Thursday, October 22, 2026.

Transmission of Annual Financial Statements:

The annual audited financial statements of the Modaraba for the year ended June 30, 2026 are available on Modaraba's website: https://trustmodaraba.com/wp/financials/annual-reports/

Unclaimed dividend

An updated list for unclaimed dividends of the Modaraba is available on the Modaraba's website https://trustmodaraba.com/wp/unclaimed-dividend/. Certificate holders, who by any reason, could not claim their dividend, are advised to contact our Share Registrar to collect / inquire about their unclaimed dividend.

Dividend that remained unclaimed for more than three years is required to be deposited with the Federal Government under section 244(2) of the Companies Act, 2017.

Conversion of Physical Modaraba Certificates into Book-Entry Form:

As per requirement of Companies Act, 2017, all listed companies are required to replace the Certificates held in physical form with the Certificates to be issued in Book-Entry, therefore, all Certificate holders holding Certificates in physical form are requested to convert their certificates in Book-Entry Form in order to comply with the provisions of the Companies Act, 2017. Certificate holders may contact the Modaraba's Certificate Registrar to understand the process of conversion of Certificates held in physical form, into the Book-Entry Form.

Hamida Aqeel
Company Secretary

24th September, 2026

CHAIRMAN'S REVIEW REPORT

It is a pleasure to present review of the year ended on 30th June, 2026 highlighting overall performance of the Modaraba, its Board of Directors, operational framework and adherence to the regulatory requirements.

The financial year under review was characterized by geo political uncertainty, macro economic challenges and inflationary pressure across the board. In response to these challenges, Trust Modaraba maintained a cautious and risk aversive approach to financing business. Whilst portfolio growth was intentionally moderated considering market volatility, financing transactions remained well-diversified across resilient sectors. Trust Modaraba strictly aligned its operations with Islamic financial guidelines as validated by our Shariah Advisors. Every transactional framework executed during the year adhered to approved Islamic accounting principles and Shariah regulations.

During the year, Trust Modaraba underwent a major leadership transition following the resignation of its founding member and Chief Executive Mr. Basheer A. Chowdry due to his health challenges. The Board appointed a sitting member Board, Mr. Muhammad Yasin as the new CEO to ensure seamless handover and strategic stability. Further, the casual vacancy created in the Board was duly filled in by the appointment of Mrs. Kauser Safdar, Chartered Accountant by profession having years of experience to her credit.

The tenure of Mr. Basheer Chowdry is defined by his remarkable leadership skills, ambitious ideas and strategic insights that inspired everyone around him. He steered the organization through various cycles and navigated challenges with strength, focus and perseverance. On behalf of the Board of Directors, I wish to express our profound appreciation to Mr. Basheer Chowdry for his years of exceptional contributions.

During the year under review, the Board of Directors discharged its responsibilities effectively. The Board played an effective role in strategy formulation, monitoring operational milestones and evaluating risk parameters. The overall performance of the Board remained very satisfactory driven by periodical assessment of internal controls, policy compliance framework, adherence to regulatory requirements and operational framework. The Board Committees met periodically to deliberate on operational policies, internal control environment, human resource matters, training requirements and policy compliance framework.

Looking forward, we remain confident that prudent risk assessment infrastructure will enable us to navigate the emerging financial landscape successfully for achievement of sustainable returns for all the stake holders.

On behalf of the Board of Directors, I express my sincere appreciation to SECP for their regulatory guidance. The commitment and operational diligence demonstrated by the management team and staff through out the year is also greatly acknowledged.

24th September, 2026.

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 Trust Modaraba for the financial year ended on 30th June, 2026.

ECONOMIC REVIEW

The global economy experienced a sharp turnaround during the fiscal year 2025-26, starting with a wave of optimism as stabilizing inflation prompted central banks to cut interest rates boosting private sector credit and industrial output. However this positive momentum was later challenged by the geo political conflict stemming from Iran US war. Renewed conflict in the Middle East disrupted energy transit routes causing spike in the global fuel prices. Faced with re-emerging inflationary pressures, State bank of Pakistan paused its monetary easing cycle prioritizing foreign exchange reserves position and exchange rate stability to balance growth recovery and macro economic resilience.

Despite geo-political uncertainties and domestic challenges, Pakistan's economy continued its gradual recovery and growth in the FY 2026. The progress was anchored by disciplined macro economic policies, strengthening fiscal balance, stable exchange rate and a generally controlled inflation. Government's medium term reform agenda aims to bolster macroeconomic stability and boost growth potential by prioritizing SME development, energy sector transformation, digitization, and gradual export expansion. However, global uncertainties like ongoing conflicts and fluctuating oil prices could impact near-term inflation and macroeconomic stability, demanding continuous policy vigilance and adjustments accordingly.

PERFORMANCE REVIEW

It is encouraging to report that your Modaraba maintained profitable operating performance during the financial year 2025-26, despite reduced lending rates, inflationary cost pressures and a challenging external environment. Carefully designed policies and streamlined operations delivered positive outcomes as is evident from the key operating data summarized hereunder.

FINANCIAL YEAR	2025-26	2024-25
Total Income	68,212,958	72,575,660
Profit before Mgt Fee & Tax	17,249,501	26,863,543
Management Fee	1,724,950	2,686,354
Tax	3,581,618	4,908,653
Profit after tax	11,378,874	18,390,098
Transferred to Statutory Reserves	2,275,775	3,678,020
EPC	0.38	0.62
Total Equity	360,134,821	348,755,947
Total Assets	405,524,679	401,963,224
ROE	3.16%	5.27%

Total income from all the operating segments amounted to Rs.68.21 million during the financial year 2025-26 as compared to Rs. 72.58 million of the previous comparable period. The decline is attributed primarily to reduced lending rates and conservative credit strategy in response to regional geopolitical uncertainties. In line with the business policy approved for the year, diminishing musharakah mode of financing constituted major segment of the income stream contributing 68% to the gross revenue. Trust Modaraba maintained a cautious lending stance amid heightened geo-political instability and resulting disruptions in economic activities following Iran US conflict. Stock

market operations generated income of Rs. 6.28 million by way of dividends and capital gain. Other income of Rs. 2.84 million was also achieved during the year comprising of gain on sale of asset, documentation charges and profit on bank deposits. Portfolio of your Modaraba remained well diversified across various sectors as a result of which the risk profile of financing portfolio improved considerably. Fears of prolonged regional instability severely impacted investors' sentiments causing depression in the stock market towards the later part of the year. As a result, your Modaraba's investment portfolio recorded unrealized loss of Rs. 3.09 million as compared to an unrealized profit of Rs. 1.91 million of the preceding year. This shift of Rs. 5.0 million is a non cash adjustment reflecting mark to market valuations. The management continues to monitor equity market closely focusing on high yielding fundamentally strong securities to mitigate short term market fluctuations. Operating expenses, during the year remained stable and aligned almost with the previous year's level despite significant upward pressure on input costs, fuel prices and general market inflation. By optimizing resource allocation, your management successfully absorbed rising costs without compromising quality of operations and strategic objectives. After accounting for all the expenses and provisions, your Modaraba achieved pre tax profit of Rs. 14.89 million and after tax profit of Rs. 11.38 million for the year ended on 30th June, 2026 translating into an EPC of Rs. 0.38.

Following thorough client due diligence, disbursements for the year amounted to Rs. 135 million. Financing strategy centred mainly on vehicle financing targeting a niche market that banks underserve due to regulatory caps on the maximum financing amounts. A well diversified credit portfolio spreading exposure across multiple sectors is maintained to mitigate risk and the financing is extended to clients having proven credit history and stable financial position. Going forward, your management plans to increase its footprint in agriculture sector to tap enhanced earnings potential.

The balance sheet footings stood at Rs. 405.52 million and equity base of Modaraba increased to Rs. 360.13 million supported by internal capital generation and profit retention.

DIVIDEND

The Board of Directors, after careful consideration of the relevant circumstances and future business requirements, has decided not to recommend any dividend for the year under review.

CREDIT RATING:

Following a comprehensive evaluation of our financial performance, risk profile and operational stability, it is a pleasure to report that VIS Credit Rating Company has reaffirmed the entity ratings of Trust Modaraba at BBB+ for long term and A2 for short term with a 'stable outlook'.

On the rating scale, long term entity rating of BBB+ reflects adequate quality: reasonable protection factors; risk factors to vary depending upon the changes in the economy. Short term ratings of A2 signifies good certainty of timely payments; sound liquidity factors, good access to capital market and minimal risk factors.

The ratings assigned to Trust Modaraba reflect its established presence in the Modaraba sector and its focus on shariah compliant financing portfolio through Diminishing Musharakah. Murabahah and Ijarah. The assigned ratings further incorporate TRSM's adequate liquidity profile and conservative leverage indicators with the Modaraba operating on minimal reliance on external borrowings.

PRINCIPAL RISKS AND UNCERTAINITIES

The ongoing war between Iran and US has destabilized the entire regions and for a country like Pakistan heavily dependent on gulf region for its energy requirements, the economic fall out may translate into multi-dimensional challenges for the financial sector as well. Increase in the energy prices and supply chain disruptions are likely to increase the cost of doing business and therefore impact margins. Portfolio quality may also come under pressure. Additionally, if SBP chooses to increase bench mark policy rates in response to rising inflation, funding cost may go up reducing demand for credit.

Your Board and management being fully cognizant of the emerging economic landscape has reset its business priorities to focus more on client due diligence, credit management and sector re-allocation.

FUTURE OUTLOOK:

Volatile geopolitical situation and Pakistan's macro economic stabilization measures weigh heavily on the future outlook of Trust Modaraba. Whilst the Modaraba maintains an established presence and a stable credit profile, macro economic conditions are anticipated to put pressure on the business opportunities and profitability in the forthcoming period.

Trust Modaraba is well positioned to respond to the emerging challenges and capitalize on emerging opportunities for sustainable growth. Going forward, your Modaraba plans to modernize credit distribution channels digitally to reduce operational overhead and ensure fast processing. Focus on recoveries from litigated accounts shall remain at the core of the operations and every effort will be made to achieve early settlement.

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.

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.

During the FY 2025-26, Trust Modaraba experienced a significant shift in its leadership following resignation of Mr. Basheer A. Chowdry from the position of Chief Executive and directorship of the Board due to his health challenges. The Board of Directors appointed an experienced sitting member of the Board as the new CEO. This internal appointment ensured seamless transition of the leadership and maintained strategic stability.

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. Muhammad Yasin (CEO)	Executive Director
Mr. Etrat Hussain Rizvi	Independent Director
Mr. Muhammad Sami Ullah	Independent Director
Mrs. Dr. Namoos Baquar	Non Executive Female Director
Mr. Imran Iqbal	Independent Director

To fill in the casual vacancy in the Board of Directors, Mrs. Kauser Safdar has been appointed as Non Executive Female Director on the Board of Al-Zamin Modaraba Management (Private) Limited. Her appointment has been approved by SECP on 6th August, 2026.

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. Muhammad Yasin (CEO)	Four
Mr. Etrat Hussain Rizvi	Four
Mr. Muhammad Sami Ullah	Four
Mrs. Dr. Namoos Baquar	Three
Mr. Imran Iqbal	Three
Mrs. Kauser Safdar	NIL (Newly appointed)

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.

Subsequent to the resignation of Mr. Basheer A. Chowdry, the Board reconstituted the Audit Committee comprising of three members as mentioned below, In compliance of the requirements of the Code of Corporate Governance, Chairman of the Committee 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. Muhammad Samiullah	(Member)	Four
Mr. Imran Iqbal	(Member)	Two

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 Samiullah	Chairman
Mr. Muhammad Yasin	Member
Mr. Imran Iqbal	Member
Mrs. Dr. Namoos Baquar	Member

One meeting of the Human Resource Committee was held during the year to deliberate on the HR matters.

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 ASAS Shariah Advisory Services (Private) Limited. The report confirms that the Modaraba's financial arrangements, contracts and transactions for the year ended June, 2026 are in compliance with the Shariah principles, in all material respects. Report issued by ASAS is placed in the financial statements of the Modaraba.

SHARIAH ADVISOR REPORT

Well known Shariah scholar, Mr. Mufti Zubair Usmani serves as a 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 function 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:

The present auditor M/s Grant Thornton Anjum Rahman, Chartered Accountants have completed their five years term of engagement with Trust Modaraba. The Board of Directors wish to express its appreciation for their professionalism and useful insights provided in the audit matters.

On the recommendations of the Audit Committee, the Board of Directors is pleased to appoint M/s Crowe Hussain Chaudhury & Co. Chartered Accountants, as the statutory auditors of Trust Modaraba for the year 2026-27, subject to the approval of Registrar Modaraba.

PATTERN OF CERTIFICATE HOLDING:

Pattern of certificate holding as at 30th June, 2026 is attached. Nil 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. 7,564,838 as at 30th June, 2026.

EARNINGS PER CERTIFICATE:

Earnings per certificate of your Modaraba worked out to Rs. 0.38 for the year ended on 30th June, 2026.

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, 2026.

Chief Executive

Director

ڈائریکٹرز کی رپورٹ

ٹرسٹ مضاربہ کی مینجمنٹ کمپنی، الضامن مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز، 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے ٹرسٹ مضاربہ کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ہمراہ ڈائریکٹرز کی رپورٹ سرٹیفکیٹ ہولڈرز کی خدمت میں پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2025-26 کے دوران عالمی معیشت میں تیزی سے اتار چڑھاؤ دیکھنے میں آیا۔ سال کا آغاز خوش امیدی کی لہر کے ساتھ ہوا، جب مہنگائی میں استحکام کے باعث مرکزی بینکوں نے شرحِ سود میں کمی کی، جس سے نجی شعبے کے قرضوں اور صنعتی پیداوار کو تقویت ملی۔ تاہم بعد ازاں ایران۔امریکہ جنگ سے جنم لینے والے جغرافیائی وسیاسی تنازعے کے باعث یہ مثبت رجحان متاثر ہوا۔ مشرقِ وسطیٰ میں نئے سرے سے شروع ہونے والے تنازعے نے توانائی کی ترسیلی راہوں کو متاثر کیا، جس کے نتیجے میں عالمی سطح پر ایندھن کی قیمتوں میں اچانک اضافہ ہوا۔ مہنگائی کے دوبارہ ابھرتے ہوئے دباؤ کے پیشِ نظر اسٹیٹ بینک آف پاکستان نے زرِمبادلہ کے ذخائر کی پوزیشن اور شرحِ مبادلہ کے استحکام کو ترجیح دیتے ہوئے، ترقی کی بحالی اور معاشی استحکام کے درمیان توازن قائم رکھنے کے لیے مانیٹری نرمی کا سلسلہ روک دیا۔

جغرافیائی وسیاسی غیر یقینی صورتحال اور ملکی چیلنجوں کے باوجود، مالی سال 2026 میں پاکستان کی معیشت میں بتدریج بحالی اور نمو کا سلسلہ جاری رہا۔ اس پیش رفت کی بنیاد منظم معاشی پالیسیاں، مضبوط ہوتا ہوا مالیاتی توازن، مستحکم شرحِ مبادلہ اور عمومی طور پر قابو میں رہنے والی مہنگائی تھی۔ حکومت کا درمیانی مدت کا اصلاحاتی ایجنڈا SME کی ترقی، توانائی کے شعبے کی تبدیلی، ڈیجیٹلائزیشن اور برآمدات میں بتدریج توسیع کو ترجیح دے کر معاشی استحکام کو مضبوط بنانے اور ترقی کی صلاحیت میں اضافے کا خواہاں ہے۔ تاہم، جاری تنازعات اور تیل کی قیمتوں میں اتار چڑھاؤ جیسی عالمی غیر یقینی صورتحال قریبی مدت میں مہنگائی اور معاشی استحکام پر اثر انداز ہو سکتی ہے، جس کے پیشِ نظر مسلسل پالیسی چوکسی اور اس کے مطابق ردوبدل ضروری ہے۔

کارکردگی کا جائزہ

یہ بتاتے ہوئے خوشی ہے کہ آپ کے مضاربہ نے مالی سال 2025-26 کے دوران قرضوں کی شرحوں میں کمی، لاگت پر مہنگائی کے دباؤ اور چیلنجنگ بیرونی ماحول کے باوجود منافع بخش آپریٹنگ کارکردگی برقرار رکھی۔ احتیاط سے وضع کی گئی پالیسیوں اور منظم آپریشنز نے مثبت نتائج دیے، جیسا کہ ذیل میں خلاصہ کیے گئے اہم آپریٹنگ اعداد و شمار سے ظاہر ہے۔

مالی سال	2025-26	2024-25
کل آمدن	68,212,958	72,575,660
منافع قبل از مینجمنٹ فیس و ٹیکس	17,249,501	26,863,543
مینجمنٹ فیس	1,724,950	2,686,354
ٹیکس	3,581,618	4,908,653
منافع بعد از ٹیکس	11,378,874	18,390,098
قانونی ریزرو میں منتقل شدہ رقم	2,275,775	3,678,020
فی سرٹیفکیٹ آمدن (EPC)	0.38	0.62
کل ایکویٹی	360,134,821	348,755,947
کل اثاثے	405,524,679	401,963,224
شرحِ منافع برایکویٹی (ROE)	3.16٪	5.27٪

تمام آپریٹنگ شعبوں سے کل آمدن مالی سال 2025-26 کے دوران 68.21 ملین روپے رہی، جبکہ گزشتہ مماثل مدت میں یہ 72.58 ملین روپے تھی۔ اس کمی کی بنیادی وجہ قرضوں کی شرحوں میں کمی اور علاقائی جغرافیائی و سیاسی غیر یقینی صورتحال کے پیشِ نظر محتاط قرضہ حکمتِ عملی ہے۔ سال کے لیے منظور شدہ کاروباری پالیسی کے مطابق، ڈمنشنگ مشارکہ طریقۂ فنانسنگ آمدن کا سب سے بڑا حصہ رہا، جس نے مجموعی آمدن میں 68 فیصد حصہ ڈالا۔ ٹرسٹ مضاربہ نے علاقائی عدم استحکام میں اضافے اور ایران۔امریکہ تنازعے کے بعد معاشی سرگرمیوں میں پیدا ہونے والے تعطل کے پیشِ نظر محتاط قرضہ پالیسی برقرار رکھی۔ اسٹاک مارکیٹ کے آپریشنز سے ڈیویڈنڈ اور کیپیٹل گین کی صورت میں 6.28 ملین روپے کی آمدن حاصل ہوئی۔ سال کے دوران اثاثوں کی فروخت پر منافع، دستاویزی چارجز اور بینک ڈپازٹس پر منافع پر مشتمل 2.84 ملین روپے کی دیگر آمدن بھی حاصل ہوئی۔ آپ کے مضاربہ کا پورٹ فولیو مختلف شعبوں میں متنوع رہا، جس کے نتیجے میں فنانسنگ پورٹ فولیو کے رسک پروفائل میں نمایاں بہتری آئی۔ طویل علاقائی عدم استحکام کے خدشات نے سرمایہ کاروں کے اعتماد کو بری طرح متاثر کیا، جس سے سال کے آخری حصے میں اسٹاک مارکیٹ میں مندی رہی۔ نتیجتاً آپ کے مضاربہ کے سرمایہ کاری پورٹ فولیو میں 3.09 ملین روپے کا غیر حقیقی نقصان ریکارڈ ہوا، جبکہ گزشتہ سال 1.91 ملین روپے کا غیر حقیقی منافع تھا۔ 5.0 ملین روپے کا یہ فرق ایک غیر نقد ایڈجسٹمنٹ ہے جو مارک ٹو مارکیٹ ویلیو کی عکاسی کرتی ہے۔ انتظامیہ ایکویٹی مارکیٹ کی کڑی نگرانی جاری رکھے ہوئے ہے اور زیادہ منافع دینے والی، بنیادی طور پر مضبوط سیکیورٹیز پر توجہ مرکوز رکھتی ہے تاکہ مختصر مدتی اتار چڑھاؤ کے اثرات کو کم کیا جا سکے۔ سال کے دوران آپریٹنگ اخراجات مستحکم رہے اور گزشتہ سال کی سطح کے تقریباً مطابق رہے، باوجود اس کے کہ ان پٹ لاگت، ایندھن کی قیمتوں اور عمومی مارکیٹ مہنگائی میں اضافے کا نمایاں دباؤ تھا۔ وسائل کی بہتر تقسیم کے ذریعے آپ کی انتظامیہ نے آپریشنز کے معیار اور اسٹریٹجک اہداف پر سمجھوتہ کیے بغیر بڑھتی ہوئی لاگت کو کامیابی سے برداشت کیا۔ تمام اخراجات اور پرووِیژنز کا حساب لگانے کے بعد، آپ کے مضاربہ نے 30 جون 2026 کو ختم ہونے والے سال کے لیے 14.89 ملین روپے کا قبل از ٹیکس منافع اور 11.38 ملین روپے کا بعد از ٹیکس منافع حاصل کیا، جو 0.38 روپے فی سرٹیفکیٹ آمدن (EPC) کے مترادف ہے۔

کلائنٹس کی مکمل ڈیوڈیلیجنس کے بعد، سال کے دوران فنانسنگ کی تقسیم 135 ملین روپے رہی۔ فنانسنگ حکمتِ عملی کا بنیادی مرکز گاڑیوں کی فنانسنگ رہا، جس کے ذریعے ایک ایسی مخصوص مارکیٹ کو ہدف بنایا گیا جسے بینک زیادہ سے زیادہ فنانسنگ رقم پر ریگولیٹری حدود کے باعث کم خدمات فراہم کرتے ہیں۔ خطرات کو کم کرنے کے لیے متعدد شعبوں میں پھیلا ہوا متنوع کریڈٹ پورٹ فولیو برقرار رکھا گیا ہے، اور فنانسنگ ایسے کلائنٹس کو دی جاتی ہے جن کی کریڈٹ ہسٹری ثابت شدہ اور مالی حالت مستحکم ہو۔ آئندہ آپ کی انتظامیہ زیادہ آمدن کی صلاحیت سے فائدہ اٹھانے کے لیے زرعی شعبے میں اپنی موجودگی بڑھانے کا ارادہ رکھتی ہے۔

بیلنس شیٹ کا مجموعی حجم 405.52 ملین روپے رہا، جبکہ اندرونی سرمایہ سازی اور منافع کی برقراری کے باعث مضاربہ کی ایکویٹی بڑھ کر 360.13 ملین روپے ہو گئی۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے متعلقہ حالات اور مستقبل کی کاروباری ضروریات پر غور و خوض کے بعد زیرِ جائزہ سال کے لیے کسی ڈیویڈنڈ کی سفارش نہ کرنے کا فیصلہ کیا ہے۔

کریڈٹ ریٹنگ:

ہماری مالی کارکردگی، رسک پروفائل اور آپریشنل استحکام کے جامع جائزے کے بعد، یہ بتاتے ہوئے مسرت ہے کہ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے ٹرسٹ مضاربہ کی ادارہ جاتی ریٹنگ طویل مدتی کے لیے BBB+ اور مختصر مدتی کے لیے A2 کو "مستحکم آؤٹ لک" کے ساتھ برقرار رکھا ہے۔

ریٹنگ اسکیل پر طویل مدتی ادارہ جاتی ریٹنگ BBB+ مناسب معیار کی عکاسی کرتی ہے: معقول تحفظاتی عوامل؛ معاشی حالات میں تبدیلی کے مطابق رسک عوامل میں فرق آ سکتا ہے۔ مختصر مدتی ریٹنگ A2 بروقت ادائیگیوں کے اچھے یقین، مضبوط لیکویڈیٹی عوامل، کیپیٹل مارکیٹ تک اچھی رسائی اور کم سے کم رسک عوامل کی نشاندہی کرتی ہے۔

ٹرسٹ مضاربہ کو تفویض کردہ ریٹنگز مضاربہ سیکٹر میں اس کی مستحکم موجودگی اور ڈمنشنگ مشارکہ، مرابحہ اور اجارہ کے ذریعے شریعت کے مطابق فنانسنگ پورٹ فولیو پر اس کی توجہ کی عکاسی کرتی ہیں۔ تفویض کردہ ریٹنگز مزید برآں TRSM کے مناسب لیکویڈیٹی پروفائل اور محتاط لیوریج اشاریوں کو بھی شامل کرتی ہیں، کیونکہ مضاربہ بیرونی قرضوں پر کم سے کم انحصار کے ساتھ کام کرتا ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

ایران اور امریکہ کے درمیان جاری جنگ نے پورے خطے کو عدم استحکام سے دوچار کر دیا ہے، اور پاکستان جیسے ملک کے لیے، جو اپنی توانائی کی ضروریات کے لیے خلیجی خطے پر بہت زیادہ انحصار کرتا ہے، اس کے معاشی اثرات مالیاتی شعبے کے لیے بھی کثیر الجہتی چیلنجوں کی صورت اختیار کر سکتے ہیں۔ توانائی کی قیمتوں میں اضافہ اور سپلائی چین میں رکاوٹیں کاروبار کی لاگت بڑھانے کا باعث بن سکتی ہیں، جس سے مارجن متاثر ہوں گے۔ پورٹ فولیو کے معیار پر بھی دباؤ آ سکتا ہے۔ مزید برآں، اگر مہنگائی میں اضافے کے ردعمل میں اسٹیٹ بینک بینچ مارک پالیسی ریٹ بڑھانے کا فیصلہ کرتا ہے تو فنڈنگ کی لاگت بڑھ سکتی ہے، جس سے قرضوں کی طلب کم ہو گی۔

آپ کا بورڈ اور انتظامیہ ابھرتے ہوئے معاشی منظرنامے سے پوری طرح باخبر ہیں اور انہوں نے اپنی کاروباری ترجیحات کو از سرِ نو ترتیب دیا ہے، جس کے تحت کلائنٹس کی ڈیوڈیلیجنس، کریڈٹ مینجمنٹ اور شعبہ جاتی ری الوکیشن پر زیادہ توجہ دی جائے گی۔

مستقبل کا منظرنامہ:

غیر مستحکم جغرافیائی و سیاسی صورتحال اور پاکستان کے معاشی استحکام کے اقدامات ٹرسٹ مضاربہ کے مستقبل کے منظرنامے پر گہرا اثر ڈال رہے ہیں۔ اگرچہ مضاربہ ایک مستحکم موجودگی اور مستحکم کریڈٹ پروفائل رکھتا ہے، تاہم توقع ہے کہ معاشی حالات آئندہ مدت میں کاروباری مواقع اور منافع پر دباؤ ڈالیں گے۔

ٹرسٹ مضاربہ ابھرتے ہوئے چیلنجوں کا جواب دینے اور پائیدار ترقی کے لیے نئے مواقع سے فائدہ اٹھانے کے لیے اچھی پوزیشن میں ہے۔ آئندہ آپ کا مضاربہ آپریشنل اخراجات کم کرنے اور تیز رفتار پراسیسنگ کو یقینی بنانے کے لیے کریڈٹ کی تقسیم کے ذرائع کو ڈیجیٹل طور پر جدید بنانے کا ارادہ رکھتا ہے۔ زیرِ سماعت (عدالتی کارروائی کے تحت) اکاؤنٹس سے وصولیوں پر توجہ آپریشنز کا مرکزی نکتہ رہے گی اور جلد تصفیے کے لیے ہر ممکن کوشش کی جائے گی۔

گورننس فریم ورک:

ٹرسٹ مضاربہ نے ایک مضبوط گورننس فریم ورک قائم کیا ہے جو کارپوریٹ تنوع، اسٹریٹجک سمت، واضح اہداف، بہتر طور پر وضع کردہ پالیسیوں اور مضبوط داخلی کنٹرول نظام کو یقینی بناتا ہے۔

بورڈ آف ڈائریکٹرز ہر سہ ماہی میں کم از کم ایک بار مضاربہ کی مالی کارکردگی کا جائزہ لینے اور ادارے کے مقرر کردہ اہداف و مقاصد کے مطابق اہم آپریشنل اور اسٹریٹجک امور پر غور و خوض کے لیے اجلاس منعقد کرتا ہے۔

بورڈ کی تشکیل اور اجلاس:

بورڈ آف ڈائریکٹرز ایسے اہل افراد پر مشتمل ہے جو مختلف پیشوں میں علم، تجربہ اور مہارت رکھتے ہیں، جو بورڈ میں تنوع پیدا کرتا ہے اور مؤثر کارپوریٹ پالیسی اور اسٹریٹجک سمت کے تعین میں اہم کردار ادا کرتا ہے۔

مالی سال 2025-26 کے دوران ٹرسٹ مضاربہ کی قیادت میں ایک اہم تبدیلی آئی، جب جناب بشیر اے چودھری صحت کے مسائل کے باعث چیف ایگزیکٹو کے عہدے اور بورڈ کی ڈائریکٹرشپ سے مستعفی ہو گئے۔ بورڈ آف ڈائریکٹرز نے بورڈ کے ایک تجربہ کار موجودہ رکن کو نیا سی ای او مقرر کیا۔ اس اندرونی تقرری نے قیادت کی بلا رکاوٹ منتقلی کو یقینی بنایا اور اسٹریٹجک استحکام برقرار رکھا۔ مزید برآں، بورڈ آف ڈائریکٹرز میں اتفاقی خالی نشست پر کرنے کے لیے محترمہ کوثر صفدر کو الضامن مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ میں ڈائریکٹر مقرر کیا گیا ہے۔

رپورٹنگ کی تاریخ تک بورڈ آف ڈائریکٹرز کی موجودہ تشکیل اس طرح ہے:

نام	کیٹیگری
جناب میاں شیخ ارشد فاروق (چیئرمین)	نان ایگزیکٹو ڈائریکٹر

نام	کیٹیگری
جناب محمد یٰسین (سی ای او)	ایگزیکٹو ڈائریکٹر
جناب عترت حسین رضوی	انڈیپنڈنٹ ڈائریکٹر
جناب محمد سمیع اللہ	انڈیپنڈنٹ ڈائریکٹر
محترمہ ڈاکٹر ناموس باقر (Baquar)	نان ایگزیکٹو خاتون ڈائریکٹر
جناب عمران اقبال	انڈیپنڈنٹ ڈائریکٹر
محترمہ کوثر صفدر	نان ایگزیکٹو خاتون ڈائریکٹر — بورڈ کی اتفاقی خالی نشست پر کرنے کے لیے مقرر؛ تقرری ایس ای سی پی سے 6 اگست 2026 کو منظور ہوئی

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

نام	شریک اجلاس
جناب میاں شیخ ارشد فاروق (چیئرمین)	چار
جناب محمد یٰسین (سی ای او)	چار
جناب عترت حسین رضوی	چار
جناب محمد سمیع اللہ	چار
محترمہ ڈاکٹر ناموس باقر (Baquar)	تین
جناب عمران اقبال	تین
محترمہ کوثر صفدر	صفر (نو مقرر شدہ)

تمام ڈائریکٹرز کوڈ آف کارپوریٹ گورننس کے تحت ڈائریکٹرز کی سرٹیفکیشن سے متعلق تقاضوں کی مکمل تعمیل کرتے ہیں۔

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

آڈٹ کمیٹی اور داخلی کنٹرول کا نظام:

آپ کے مضاربہ کی انتظامیہ اچھی کارپوریٹ گورننس پر یقین رکھتی ہے، جو جانچ اور توازن کے ایک اچھی طرح وضع کردہ نظام کے ذریعے نافذ کی جاتی ہے۔ بورڈ آف ڈائریکٹرز نے داخلی کنٹرول کا ایک مضبوط نظام قائم کیا ہے جو مضاربہ کے اندر تمام سطحوں پر مؤثر طور پر نافذ ہے۔

جناب بشیر اے چودھری کے استعفیٰ کے بعد بورڈ نے آڈٹ کمیٹی کی تشکیلِ نو کی، جو ذیل میں مذکور تین اراکین پر مشتمل ہے۔ کوڈ آف کارپوریٹ گورننس کے تقاضوں کی تعمیل میں کمیٹی کے چیئرمین ایک انڈیپنڈنٹ ڈائریکٹر ہیں۔ سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے جن میں اراکین کی حاضری درج ذیل رہی:

نام	شریک اجلاس
جناب عترت حسین رضوی (چیئرمین)	چار
جناب محمد سمیع اللہ (رکن)	چار
جناب عمران اقبال (رکن)	دو

آڈٹ کمیٹی ہر سہ ماہی میں ایک بار مضاربہ کے سالانہ اور عبوری مالیاتی گوشواروں کا بورڈ کی منظوری سے قبل جائزہ لیتی ہے۔ آڈٹ کمیٹی قابلِ اطلاق اکاؤنٹنگ معیارات کی تعمیل، اکاؤنٹنگ پالیسیوں اور طریقہ کار میں کسی بھی تبدیلی، تمام متعلقہ فریقین کے لین دین، اور آڈٹ کے نتیجے میں ہونے والی اہم ایڈجسٹمنٹس پر بھی توجہ مرکوز کرتی ہے۔

داخلی آڈٹ کے فرائض چارٹرڈ اکاؤنٹنٹس کی ایک آزاد فرم کے سپرد ہیں۔ داخلی آڈیٹرز، کمیٹی کی منظور کردہ سالانہ آڈٹ منصوبہ بندی کے مطابق، داخلی آڈٹ رپورٹس اور کمپلائنس میٹرکس ہر سہ ماہی میں آڈٹ کمیٹی کے سامنے پیش کرتے ہیں۔ مضاربہ کا ایک کل وقتی سینئر اسٹاف ممبر داخلی آڈٹ فرم اور بورڈ کے درمیان رابطہ کاری کے لیے ہیڈ آف انٹرنل آڈٹ بھی نامزد ہے۔

ہیومن ریسورس اور معاوضہ کمیٹی:

بورڈ نے ہیومن ریسورس مینجمنٹ پالیسیوں کے اہم امور پر غور و خوض کے لیے ہیومن ریسورس اینڈ ریمیونریشن کمیٹی تشکیل دی ہے۔ کمیٹی درج ذیل اراکین پر مشتمل ہے:

نام	حیثیت
جناب محمد سمیع اللہ	چیئرمین
جناب محمد یٰسین	رکن
جناب عمران اقبال	رکن
محترمہ ڈاکٹر ناموس باقر	رکن

سال کے دوران ہیومن ریسورس کمیٹی کا ایک اجلاس ایچ آر امور پر غور و خوض کے لیے منعقد ہوا۔

شریعہ ریگولیشنز 2023 کی تعمیل سے متعلق ایشورنس رپورٹ

شریعہ گورننس ریگولیشنز 2023 کے تحت، ٹرسٹ مضاربہ کے مالیاتی انتظامات، معاہدات اور لین دین کے شریعہ اصولوں کے مطابق ہونے کا بیرونی شریعہ آڈٹ، ASAS شریعہ ایڈوائزری سروسز (پرائیویٹ) لمیٹڈ کی ایک اہل ٹیم نے کیا۔ رپورٹ اس امر کی تصدیق کرتی ہے کہ مضاربہ کے مالیاتی انتظامات، معاہدات اور لین دین جون 2026 کو ختم ہونے والے سال کے لیے تمام مادی پہلوؤں میں شریعہ اصولوں کے مطابق ہیں۔ ASAS کی جاری کردہ رپورٹ مضاربہ کے مالیاتی گوشواروں میں شامل ہے۔

شریعہ ایڈوائزر کی رپورٹ

معروف شریعہ اسکالر جناب مفتی زبیر عثمانی ٹرسٹ مضاربہ کے شریعہ ایڈوائزر کے طور پر خدمات انجام دے رہے ہیں۔ آپریشنل امور میں شریعہ رہنما اصولوں کی پابندی یقینی بنانے کے لیے آپریشنل اور تعمیل کے معاملات میں ضرورت کے مطابق ان سے رہنمائی حاصل کی جاتی ہے۔ داخلی آڈٹ کے شعبے بھی مقررہ معیارات کے مطابق مضاربہ کے کاروباری لین دین کی شریعہ تعمیل کی تصدیق کرتے ہیں۔ شریعہ ایڈوائزر کی جاری کردہ رپورٹ مضاربہ کے مالیاتی گوشواروں میں شامل ہے۔

آڈیٹرز:

موجودہ آڈیٹر میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس، ٹرسٹ مضاربہ کے ساتھ اپنی پانچ سالہ مدتِ کار مکمل کر چکے ہیں۔ بورڈ آف ڈائریکٹرز ان کی پیشہ ورانہ مہارت اور آڈٹ امور میں فراہم کردہ مفید بصیرت پر ان کا شکر گزار ہے۔

آڈٹ کمیٹی کی سفارشات پر، بورڈ آف ڈائریکٹرز رجسٹرار مضاربہ کی منظوری سے مشروط، میسرز کرو حسین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس کو سال 2026-27 کے لیے ٹرسٹ مضاربہ کے قانونی آڈیٹرز مقرر کرتے ہوئے مسرت محسوس کرتا ہے۔

سرٹیفکیٹ ہولڈنگ کا پیٹرن:

30 جون 2026 کو سرٹیفکیٹ ہولڈنگ کا پیٹرن منسلک ہے۔ سال کے دوران ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کے شریکِ حیات نے مضاربہ کے سرٹیفکیٹس میں کوئی تجارت نہیں کی۔

فنڈز میں سرمایہ کاری کی مالیت:

مضاربہ اپنے تمام مستقل ملازمین کے لیے ایک کنٹری بیوٹری پراویڈنٹ فنڈ چلاتا ہے۔ مضاربہ اور ملازمین دونوں کی جانب سے بنیادی تنخواہ کے 10 فیصد کے برابر ماہانہ حصہ فنڈ میں جمع کرایا جاتا ہے۔ فنڈ کے تازہ ترین حسابات کے مطابق، 30 جون 2026 کو اس کی سرمایہ کاری کی مالیت 7,564,838 روپے بنتی ہے۔

فی سرٹیفکیٹ آمدن:

آپ کے مضاربہ کی فی سرٹیفکیٹ آمدن 30 جون 2026 کو ختم ہونے والے سال کے لیے 0.38 روپے رہی۔

اظہارِ تشکر:

بورڈ رجسٹرار مضاربہ اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے فراہم کردہ معاونت اور رہنمائی پر ان کا شکریہ ریکارڈ پر لانا چاہتا ہے۔ بورڈ ایگزیکٹوز اور اسٹاف ممبران کی محنت اور لگن کا بھی اعتراف کرتا ہے۔ آخر میں، بورڈ سرٹیفکیٹ ہولڈرز کا مضاربہ کے ساتھ ان کے غیر متزلزل تعاون پر شکر گزار ہے۔

ڈائریکٹر

چیف ایگزیکٹو

24 ستمبر 2026

KEY OPERATING & FINANCIAL DATA FOR THE LAST SIX YEARS

(Rupees in Thousands)

	2026	2025	2024	2023	2022	2021
Balance Sheet						
Total assets	**405,525**	**401,963**	**414,351**	**388,757**	415,588	378,810
Ijara Financing	**43,469**	**72,234**	**146,943**	**190,294**	190,179	184,059
Morabaha financing	**60,758**	**72,819**	**73,218**	**92,182**	130,179	132,768
Diminishing Musharaka/Musharaka financing	**237,101**	**228,534**	**188,061**	**93,790**	28,168	27,685
Assets own use	**24,947**	**25,101**	**23,897**	**16,346**	15,794	13,126
Current Assets	**241,714**	**192,392**	**176,255**	**173,100**	222,175	223,814
Current Liabilities	**39,802**	**33,749**	**41,569**	**26,913**	44,745	33,092
Total Liabilities	**45,390**	**53,207**	**72,958**	**68,752**	94,538	63,199
Paid-up Capital	**298,000**	**298,000**	**298,000**	**298,000**	298,000	298,000
Reserves	**62,135**	**50,756**	**47,266**	**28,506**	28,580	17,614
Net Equity	**360,135**	**348,756**	**341,394**	**320,005**	321,051	315,612
Income Statement						
Income	**64,428**	**74,365**	**68,479**	**38,433**	58,316	45,463
Operating expenses	**47,179**	**47,502**	**38,918**	**37,284**	43,476	36,446
Profit/(Loss) before management fee	**17,250**	**26,864**	**29,561**	**1,149**	14,840	9,017
Profit/(Loss) after taxation	**11,379**	**18,390**	**20,855**	**(73)**	11,365	6,606
Earning/(Loss) per cartificate	**0.380**	**0.617**	**0.712**	**-**	0.38	0.22

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 directors are 7 (Seven) as per following composition:
   a. Male: 5 (Five)
   b. Female: 2 (Two)
2. The Composition of Board is as follows:

Type of Directors	Names
Executive Director	Mr. Muhammad Yasin (CEO)
Non-Executive	Mr. Mian Sheikh Arshad Farooq (Chairman)
Independent Director	Mr. Syed Etrat Hussain Rizvi
Independent Director	Mr. Muhammad Sami Ullah
Independent Director	Mr. Imran Iqbal

FEMALE DIRECTOR

Non-Executive	Dr. Mrs. Namoos Baquar
Non-Executive	* Mrs. Kauser Safdar

(*Subsequent to the resignation of Mr. Basheer Ahmed Chowdry from the directorship of the Company, Mrs. Kauser Safdar has been appointed as the director on the Board of Al-Zamin Modaraba Management (Private) Limited).

3. The directors have confirmed that none of them is serving as a director on more than seven listed 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 corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their respective dates of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have 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 director's training certification and two are exempt from the requirements by virtue of their experience as prescribed the listing regulations of 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 relevant requirements of the Regulations;

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

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

a) Audit Committee

Mr. Syed Etrat Hussain Rizvi	- Chairman
Mr. Muhammad Sami Ullah	- Member
Mr. Imran Iqbal	- Member

b) HR and Remuneration Committee

Mr. Muhammad Sami Ullah	- Chairman
Mr. Muhammad Yasin	- Member
Mr. Imran Iqbal	- Member
Dr. Mrs. Namoos Baquar	- Member

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

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

a) Audit Committee	- Quarterly
b) HR and Remuneration Committee	- Annually

15. The Board has outsourced the 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 a liaison officer 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 Officer, 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. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been duly complied with.

19. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance. The audit committee, though, complies with the requirements of regulation 27 of the Regulations relating to representation of the external auditors and attendance at meetings, the resources, authority, however same may be incorporated expressly in the TOR of the audit committee.

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	The Board currently oversees ESG matters. In view of the deferral of ESG requirements for the Modaraba until 1 July 2031, a formal policy will be placed before the Board in due course.
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 cognizant of the requirements and currently provides oversight. The requirements are deferred for the Modaraba until 1 July 2031 and will be complied with within that timeline.

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	35	Key elements of Whistle Blowing Policy, Health & Safety Policy, Code of
policies on company's website		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.

Dated: 24 September, 2026

Karachi.

Mian Sheikh Arshad Farooq

Chairman

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, 2026 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 conform with the Shariah principles;

ii. The agreements entered into by the Modaraba are Shariah compliant and financing agreements have been executed on the formats as approved by 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 matters incidental thereto are in conformity with the Shariah principles, Islamic Financial Accounting Standards as applicable in Pakistan and 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.

MUHAMMAD ZUBAIR USMANI

Mufti Zubair Usmani

Jamia Darul Uloom Karachi

Dated: 24th August, 2026

Karachi

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To the Board of Directors of Trust Modaraba

INTRODUCTION

We have undertaken a reasonable assurance engagement as required by the Securities and Exchange Commission of Pakistan (SECP) under the Shariah Governance Regulations, 2023 (the "Regulations")—External Shariah Audit of Trust Modaraba ("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, 2026. This engagement was conducted by a multidisciplinary team comprising assurance practitioners and independent Shariah scholars.

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, 2026) is assessed, comprise the Shariah principles and rules, as defined in the Regulations and detailed below:

- Legal and regulatory framework administered by the Commission;
- Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial
- Institutions (AAOIFI), as notified by the Commission;
- Islamic Financial Accounting Standards (IFAS), developed by the Institute of Chartered Accountants
- of Pakistan (ICAP), as notified by the Commission;
- Guidance and recommendations of the Shariah Advisory Committee, as notified by the
- Commission; and
- Approvals, rulings, or pronouncements of the Shariah Advisor or Shariah Supervisory Board of the
- Modaraba.

CONCLUSION

Based on our reasonable assurance engagement and the procedures performed, we conclude that the financial arrangements, contracts, transactions, and related activities of the Modaraba for the year ended June 30, 2026, are, in all material respects, in compliance with the applicable Shariah principles and requirements, based on the information, records, and explanations made available to us.

ASAS Shariah Advisory Services (Pvt.) Ltd.
Date: 20th August, 2026

INDEPENDENT AUDITOR'S REPORT TO THE CERTIFICATE HOLDERS 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, 2026,** and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including 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 purposes 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 or loss, the statement of 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, 2026,** 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 Modaraba Company [Al-Zamin Modaraba Management (Private) Limited] 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 5.1.1 to the financial statements for the year ended June 30, 2026, 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, 2026, which states the details of unclaimed dividend for which management has maintained separate saving account of Rs 5.66 million against unclaimed profit distribution of Rs. 13.64 million.

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; namely :-

S. No.	Key Audit Matters	How the matters were addressed in our audit
1	**Islamic financings and related assets** (Refer note 7, 8, 9, 12, 13, and 14 to the financial statements)	
	Islamic financings and related assets are valued at Rs. 312.90 million which constitutes 77% 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.	Our key audit procedures among others included the following: 1. We obtained understanding, including 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 have obtained understanding of 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; . 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)	
		. 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 have also tested the mathematical accuracy of the model; . We have evaluated management's assessment for classification of customer's financing facilities; and . We have 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 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 and diminishing musharakah finances** (Refer note 31 and 32 to the financial statements)	
	Modaraba earns income from musharakah finances which is its substantial income source. During the year, the Modaraba has recognized income of Rs. 52.1 million which represents an increase of Rs. 1.5 million (3%) over last year. We have identified income from musharakah 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 musharakah transactions may not be accurately recorded, recognized in the appropriate period, and not properly disclosed in the financial statements.	Our key audit procedures among others included the following: . Obtained an understanding, including the design and implementation of internal controls over recording and processing of musharakah income; . 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)	
		. 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; . On sample basis, traced the rentals received from the underlying records issued to contract holders and applied substantive analytical procedures to determine any variations; and . We have also evaluated the adequacy of the overall disclosures in the financial statements in respect of income from musharakah 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 Company for the financial statements

Management of the Modaraba Company is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and for such internal control as management of the Modaraba Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management of the Modaraba Company is responsible for assessing the Modaraba's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management of the Modaraba Company either intends to liquidate the Modaraba or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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, the statement of profit or 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, 2026
UDIN: AR202610126Ck7SWdwHm

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE CERTIFICATE HOLDERS 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, 2026,** 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 Management Company. 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 Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. 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 Management Company's compliance, for and behalf of the Modaraba, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended **June 30, 2026**.

Grant Thornton Anjum Rahman
Chartered Accountants
Karachi

Date: September 30, 2026
UDIN: CR202610126CoAfJQth9

GENDER PAY GAP STATEMENT

Gender Pay Gap statement under Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024. The following is the gender pay gap calculated for the year ended June 30, 2026.

a) Mean Gender Pay Gap: -74.27%

b) Median Gender Pay Gap: -69.49%

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 Officer

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026	2025
ASSETS		----------Rupees----------	
Non-current assets			
Fixed assets in own use	5	**24,768,034**	24,559,177
Intangible asset	6	**178,727**	541,612
Ijarah assets	7	**13,309,135**	31,484,673
Murabaha finances - secured	8	**2,268,603**	7,156,581
Diminishing musharakah financing - secured	9	**120,925,099**	144,117,878
Long term deposits	10	**189,662**	189,662
Deferred taxation - net	11	**2,171,118**	1,416,970
Total non-current assets		**163,810,378**	209,466,553
Current assets			
Current portion of long term murabaha finances - secured	8	**33,129,755**	40,282,404
Current portion of diminishing musharakah finances - secured	9	**85,340,652**	74,237,249
Short term murabaha finances - secured	12	**25,360,000**	25,380,000
Ijarah rental receivables - secured	13	**1,731,915**	3,387,715
Musharakah finances - secured	14	**30,835,330**	10,178,689
Short term investments	15	**42,773,801**	14,287,295
Short term deposit		**105,000**	105,000
Tax refundable	16	**4,809,809**	5,280,459
Advances, prepayments and other receivables	17	**10,772,380**	10,291,497
Cash and bank balances	18	**6,855,659**	9,066,363
Total current assets		**241,714,301**	192,496,671
Total assets		**405,524,679**	401,963,224
EQUITY AND LIABILITIES			
LIABILITIES			
Non-current liabilities			
Deferred income on murabaha	19	**136,494**	1,009,498
Customers' long term security deposits	20	**220,000**	11,179,368
Lease liabilities against right of use assets	21	**5,231,215**	7,269,660
Total non-current liabilities		**5,587,709**	19,458,526
Current liabilities			
Current portion of deferred income on murabaha	19	**873,002**	2,043,402
Current portion of customers' long term security deposits	20	**9,647,168**	5,840,750
Current portion of lease liabilities against right of use assets	21	**2,510,492**	2,730,428
Loan from Director	22	**5,000,000**	-
Unclaimed profit distributions	23	**13,638,638**	13,697,088
Creditors, accrued and other liabilities	24	**8,104,316**	9,328,475
Charity payable	25	**28,533**	108,608
Total current liabilities		**39,802,149**	33,748,751
Total liabilities		**45,389,858**	53,207,277
NET ASSETS		**360,134,821**	348,755,947
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital	26	**298,000,000**	298,000,000
Reserves	27	**62,134,821**	50,755,947
Certificate holders' equity		**360,134,821**	348,755,947
Contingencies and commitments	28		

The annexed notes from 1 to 55 form an integral part of these financial statements.

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		----------Rupees----------	
Income from ijarah - net	29	**4,006,621**	7,409,613
Profit on murabaha finances	30	**2,938,262**	3,884,521
Profit on diminishing musharakah finances	31	**46,123,968**	47,945,952
Profit on musharakah finances	32	**6,028,723**	2,699,745
Dividend income on equity investments	33	**586,265**	799,000
Gain on disposal of short term investments	34	**5,691,840**	4,564,535
Other income	35	**2,837,279**	5,272,294
		68,212,958	72,575,660
Provision for doubtful receivables	36.1	**(695,110)**	(124,447)
Unrealized (loss)/gain on revaluation of financial assets at fair value through profit or loss	15.3	**(3,089,451)**	1,913,987
		64,428,397	74,365,200
Operating expenses	37	**(47,178,896)**	(47,501,657)
		17,249,501	26,863,543
Modaraba Management Company's remuneration	38.1	**(1,724,950)**	(2,686,354)
Services sales tax on Management Company's remuneration	38.2	**(258,743)**	(402,953)
Sindh Workers' Welfare Fund	24.1	**(305,316)**	(475,485)
Profit before levy and taxation		**14,960,492**	23,298,751
Levy	39	**(74,918)**	(103,913)
Profit before taxation		**14,885,574**	23,194,838
Taxation	40	**(3,506,700)**	(4,804,740)
Profit for the year after taxation		**11,378,874**	18,390,098
Earnings per certificate - basic and diluted	41	**0.38**	0.62

The annexed notes from 1 to 55 form an integral part of these financial statements.

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	----------Rupees----------	
Profit for the year after taxation	**11,378,874**	18,390,098
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	-	3,872,095
Items that may be reclassified subsequently to profit and loss account	-	-
Other comprehensive income for the year	-	3,872,095
Total comprehensive income for the year	**11,378,874**	22,262,193

The annexed notes from 1 to 55 form an integral part of these financial statements.

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

Particulars	Certificate capital	Capital reserves	Revenue reserves	Total reserves	Certificate holders' equity
		Statutory reserve (Note 27.1)	Accumulated losses		
	(Rupees)				
Balance as at June 30, 2024	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 certificate holders					
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
Balance as at June 30, 2025	**298,000,000**	**91,634,768**	**(40,878,821)**	**50,755,947**	**348,755,947**
Net profit for the year	**-**	**-**	**11,378,874**	**11,378,874**	**11,378,874**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**11,378,874**	**11,378,874**	**11,378,874**
Transfer to statutory reserve at 20%	**-**	**2,275,775**	**(2,275,775)**	**-**	**-**
Balance as at June 30, 2026	**298,000,000**	**93,910,543**	**(31,775,722)**	**62,134,821**	**360,134,821**

The annexed notes from 1 to 55 form an integral part of these financial statements.

For Al-Zamin Modaraba Management (Private) Limited

(Modaraba Management Company)

CHIEF EXECUTIVE OFFICER | DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		----------Rupees----------	
Cash generated from operations			
Cash generated from operations	42	**5,730,874**	36,351,106
(Increase) / decrease in non-current assets:			
Long term murabaha finances		**11,908,685**	379,954
Long term musharakah finances		**12,496,669**	(39,955,115)
(Decrease) / increase in non-current liabilities:			
Deferred income on murabaha		**(2,043,404)**	(127,850)
		22,361,950	
Income tax paid / deducted	16	**(3,865,116)**	(6,192,043)
Net cash generated from operating activities		**24,227,708**	(9,543,948)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of owned assets	5.1	**(4,648,592)**	(981,626)
Contribution to assets acquired on lease		**(914,000)**	(4,940,758)
Proceeds from disposal of owned assets		**1,265,248**	2,399,240
Proceeds from disposal of ijarah assets		**2,680,233**	10,012,251
(Purchase)/disposal of investments		**(24,870,164)**	20,267,828
Dividends received		**586,265**	799,000
Net cash (used in)/generated from investing activities		**(25,901,010)**	27,555,935
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment made against lease liability	21	**(5,478,952)**	(5,298,642)
Profit distributed to certificate holders	23	**(58,450)**	(14,031,043)
Proceeds from loan from Director	22	**5,000,000**	-
Net cash used in financing activities		**(537,402)**	(19,329,685)
Net decrease in cash and cash equivalents		**(2,210,704)**	(1,317,698)
Cash and cash equivalents at the beginning of the year		**9,066,363**	10,384,061
Cash and cash equivalents at the end of the year	18	**6,855,659**	9,066,363

The annexed notes from 1 to 55 form an integral part of these financial statements.

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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, Diminishing musharakah, 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 Shariah in the light of guidance and directives given by shariah 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 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:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs), as are notified under the provisions of the Companies Act, 2017;
- Provision of and directives issued under the Companies Act, 2017; and
- Provisions of and directives issued under the Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021 and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Where the provision and directives issued under the Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021, the Companies Act, 2017 and provisions and directives issued by SECP differ from the IFRS and IFAS, the requirement of Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021, the Companies Act, 2017 and provisions and directives issued by SECP 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except investments, lease liabilities and right-of-use assets. Investments are measured at fair 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 and 4.11.1 respectively. These financial statements have been prepared following accrual basis accounting except for cash flow statement.

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 July 1, 2025.

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, 2025, 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.

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.

The management anticipates the adoption of these 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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 ijaraha, murabaha and musharakah 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, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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 diminishing musharakha and 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 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 5.

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 as capitalization criteria is met. Gain/loss on disposal of assets, if any is recognized to statement of profit or loss as and when 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 6 of the financial statements, after taking into account the residual value, if any. The residual values, rates 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

4.7 Impairment

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 finance leases and has treated the Ijarah transactions executed on or after July 01, 2008 in accordance with the requirements of IFAS 2.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

4.10.1 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.

4.11 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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 5.2.

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 4.10.1) is applied for such leases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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, 2026.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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 Sindh 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.

4.21 Long term deposits

Long term deposits, being security deposits placed with utility companies and other service providers, are carried at cost less impairment, as they are held to collect fixed contractual cash flows on refund.

4.22 Customer's security deposits – Ijarah

Profit-free security deposits received against Ijarah facilities are recognised in accordance with IFAS 2 'Ijarah' and are adjustable/refundable against rentals on maturity or termination of the lease.

4.23 Deferred income on Murabaha

Deferred income represents unearned Murabaha profit (sale price less cost) and is recognised as income over the finance term using the effective profit rate method. It is shown as a deduction from gross Murabaha finances.

4.24 Loans and advances

Loans and advances, including interest-free employee advances, are initially recognised at fair value and subsequently carried at amortised cost, net of any provision for impairment.

4.25 Unclaimed profit distribution

Profit distributions remaining unclaimed are recognised as a liability under Section 244 of the Companies Act, 2017 and the Modaraba Regulations, 2021, and held in a separate designated bank account until claimed.

4.26 Contingencies and commitments

Contingent liabilities are disclosed, not recognised, where a possible or present obligation exists but an outflow is not probable or cannot be measured reliably. Commitments are disclosed at contracted amounts, in line with IAS 37.

4.27 Creditors, accrued and other liabilities

Creditors, accrued and other liabilities, comprising payable to the Modaraba Management Company (a related party), provision for Workers' Welfare Fund, accrued expenses, sales tax on management fee payable and other liabilities, are recognised at the amounts expected to be paid for services received and obligations due, and are subsequently measured at amortised cost. The payable to the Modaraba Management Company represents the unpaid portion of the management fee and other amounts due to the Company in its capacity as Modaraba Management Company, and is disclosed as a related party transaction in accordance with IAS 24 'Related Party Disclosures'. Provision for Workers' Welfare Fund is recognised at the rate applicable under the Workers' Welfare Fund Ordinance, 1971, on the basis of taxable income for the year.

4.28 Short term deposits

Short-term deposits, comprising security deposits placed with the landlord of the office building, are carried at cost less impairment, as they are held to collect fixed contractual cash flows upon refund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

5 FIXED ASSETS IN OWN USE

	Note	2026	2025
		---------Rupees---------	
Assets in own use	5.1	**17,023,654**	13,719,220
Right of use assets	5.2	**7,744,380**	10,839,957
		24,768,034	24,559,177

5.1 Assets in own use

Year ended June 30, 2026

Description	Cost				Depreciation rate	Accumulated depreciation				Book Value as at June 30, 2026
	As at July 01, 2025	Additions	Disposals	As at June 30, 2026		As at July 01, 2025	Charge for the year	Disposals	As at June 30, 2026	
	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees
Land (5.1.1)	**10,728,400**	**-**	**-**	**10,728,400**	**-**	**-**	**-**	**-**	**-**	**10,728,400**
Furniture and fixtures	**1,007,156**	**195,894**	**(227,371)**	**975,679**	**10%**	**572,147**	**81,827**	**(227,373)**	**426,601**	**549,078**
Office equipment	**4,239,068**	**4,412,698**	**(1,644,327)**	**7,007,439**	**30%**	**3,148,969**	**862,585**	**(1,643,925)**	**2,367,629**	**4,639,810**
Vehicles	**1,273,172**	**-**	**(51,500)**	**1,221,672**	**20%**	**763,383**	**252,054**	**(32,148)**	**983,289**	**238,383**
Leasehold improvements	**700,000**	**-**	**-**	**700,000**	**20%**	**700,000**	**-**	**-**	**700,000**	**-**
Books	**16,423**	**-**	**-**	**16,423**	**20%**	**16,423**	**-**	**-**	**16,423**	**-**
Electrical equipment	**1,764,709**	**40,000**	**(458,409)**	**1,346,300**	**10%**	**808,786**	**127,940**	**(458,409)**	**478,317**	**867,983**
	19,728,928	**4,648,592**	**(2,381,607)**	**21,995,913**		**6,009,708**	**1,324,406**	**(2,361,855)**	**4,972,259**	**17,023,654**

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 (5.1.1)	10,728,400	-	-	10,728,400	-	-	-	-	-	10,728,400
Furniture and fixtures	1,007,156	-	-	1,007,156	10%	494,674	77,473	-	572,147	435,009
Office equipment	3,378,442	860,626	-	4,239,068	30%	2,633,520	515,449	-	3,148,969	1,090,099
Vehicles	1,993,172	-	(720,000)	1,273,172	20%	988,755	278,628	(504,000)	763,383	509,789
Leasehold improvements	700,000	-	-	700,000	20%	700,000	-	-	700,000	-
Books	16,423	-	-	16,423	20%	16,423	-	-	16,423	-
Electrical equipment	1,704,209	121,000	(60,500)	1,764,709	10%	714,766	121,740	(27,720)	808,786	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

5.1.1 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 continues to pursue efforts for an out of court settlement of the matter. During the hearing held on 17 July 2026, the Defence Housing Authority (DHA) appeared in the proceedings, and the matter was fixed for filing of DHA's reply to the Modaraba's application. The matter remains pending for further proceedings.

5.1.2 Included in the cost of fixed assets in own use are fully depreciated which are still in use aggregating to Rs. 874,363 (2025: Rs. 3,170,970)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

5.2	Right of use assets	Note	2026	2025
			----------Rupees----------	
	As at beginning of year		**10,839,957**	8,968,532
	Additions during the year		**914,000**	5,731,851
			11,753,957	14,700,383
	Depreciation charge for the year	37	**(4,009,577)**	(3,860,426)
	As at end of year	5.2.1 & 5.2.2	**7,744,380**	10,839,957
	Lease term		**1-5 years**	1-5 years
	Depreciation rate		**20%**	20%

5.2.1 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.

5.2.2 All assets are geographically located in Pakistan.

6	INTANGIBLE ASSET	Note	2026	2025
			----------Rupees----------	
	Software			
	Cost			
	Balance as at beginning of year		**2,272,000**	2,272,000
	Additions during the year		**-**	-
	Balance as at end of year		**2,272,000**	2,272,000
	Accumulated amortisation			
	Balance as at beginning of the year		**1,730,388**	1,323,060
	Charged during the year	37	**362,885**	407,328
	Balance as at end of year		**2,093,273**	1,730,388
	Written down value		**178,727**	541,612
	Rate %		**33%**	33%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

7 IJARAH ASSETS

	Note	2026	2025
		----------Rupees----------	
7.1 Ijarah assets	7.1	**13,309,135**	31,484,673

Year ended June 30, 2026

Description	Cost				Depreciation rate	Accumulated depreciation				Book value as at June 30, 2026
	As at July 01, 2025	Additions	Disposals	As at June 30, 2026		As at July 01, 2025	Charge for the year	Disposals	As at June 30, 2026	
	----------Rupees----------					----------Rupees----------				
Vehicles	**72,233,884**	**-**	**(28,765,000)**	**43,468,884**	**20% to 33%**	**40,749,211**	**9,062,293**	**(19,651,755)**	**30,159,749**	**13,309,135**
	72,233,884	**-**	**(28,765,000)**	**43,468,884**		**40,749,211**	**9,062,293**	**(19,651,755)**	**30,159,749**	**13,309,135**

Year ended June 30, 2025

Description	Cost				Depreciation rate	Accumulated depreciation				Book value as at June 30, 2026
	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----------				
Plant and machinery	21,737,895	-	(21,737,895)	-	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	(30,236,618)	40,749,211	31,484,673
	146,943,296	-	(74,709,412)	72,233,884		72,492,546	15,883,599	(47,626,934)	40,749,211	31,484,673

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

7.1.2 The Modaraba has filed suits for re-possession of leased assets costing Rs. 7.537 million (2025: Rs. 7.537 million) against 2 clients (2025: 2 clients). The Court has awarded decree in favour of Modaraba in 2 (2025: 2) cases for recovery of Rs. 4.652 million (2025: 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.

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

	2026	2025
	----------Rupees----------	
Receivable not later than one year	**5,188,521**	15,989,632
Receivable later than one year but not later than 5 years	**59,056**	6,330,196
	5,247,577	22,319,828

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

7.1.4 Disposal of operating fixed assets

7.1.4.1 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	4,800,000	4,320,000	480,000	480,000	-	Term of ijarah agreement	Nordica Health Products (Pvt) Ltd
Vehicles	2,675,000	2,006,250	668,750	668,750	-	Term of ijarah agreement	Syed Hussain Imam Naqvi
Vehicles	1,200,000	954,000	246,000	317,557	71,557	Term of ijarah agreement	Muhammad Mubeen Akram
Vehicles	4,532,000	1,432,000	3,100,000	3,100,000	-	Term of ijarah agreement	College Of Accountancy & Professional Studies
Vehicles	2,260,000	1,627,182	632,818	700,604	67,786	Term of ijarah agreement	Gasco Engineering (Pvt) Ltd.
Vehicles	1,150,000	650,000	500,000	500,000	-	Term of ijarah agreement	Siddiqa Akhtar
Vehicles	5,756,000	3,832,521	1,923,479	2,299,386	375,907	Term of ijarah agreement	Shakeel Ahmed Soomroo
Vehicles	2,992,000	1,949,802	1,042,198	1,246,886	204,688	Term of ijarah agreement	Fozia Shakeel
Vehicles	1,600,000	1,440,000	160,000	160,000	-	Term of ijarah agreement	Muhammad Inam
Vehicles	1,800,000	1,440,000	360,000	360,000	-	Term of ijarah agreement	Ali Nawaz
Total 2026	**28,765,000**	**19,651,755**	**9,113,245**	**9,833,183**	**719,938**		
Total 2025	74,709,412	47,626,934	27,082,478	28,990,771	1,908,293		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

		Note	2026	2025
8	**MURABAHA FINANCES - SECURED**		----------Rupees----------	
	Considered good	8.1 & 8.2	**7,311,895**	17,357,111
	Considered doubtful	8.3	**33,907,151**	36,755,652
	Provision for doubtful long term murabaha finances	8.4	**(5,820,688)**	(6,673,778)
			35,398,358	47,438,985
	Current portion		**(33,129,755)**	(40,282,404)
	Non-current portion		**2,268,603**	7,156,581

8.1 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.

8.2 The maximum aggregate amount outstanding during the year at any point is Rs 54,463,943 (2025: Rs. 66,265,408).

		Note	2026	2025
8.3	**Break up of considered doubtful Murabaha finances**		----------Rupees----------	
	Considered doubtful		**34,825,900**	38,251,245
	Suspended income	8.3.1	**(918,749)**	(1,495,593)
			33,907,151	36,755,652
8.3.1	**Suspended income**			
	As at beginning of year		**1,495,593**	1,598,778
	Reversal during the year	30	**(576,844)**	(103,185)
	As at end of year		**918,749**	1,495,593

8.3.2 The doubtful murabaha finances include receivables from 5 (2025: 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 (2025: 2) cases for recovery of Rs. 54.002 million (2025: Rs. 54.002 million).

		2026	2025
8.4	**Provision for doubtful long term murabaha finances**	----------Rupees----------	
	As at beginning of year	**6,673,778**	6,674,996
	Reversals for the year	**(853,090)**	(1,218)
	As at end of year	**5,820,688**	6,673,778

9	**DIMINISHING MUSHARAKAH FINANCING - SECURED**			
	Considered good		**202,073,184**	222,089,949
	Considered doubtful		**8,334,682**	-
	Provision for Diminishing Musharakah finances	9.3	**(4,142,115)**	(3,734,822)
		9.1 & 9.2	**206,265,751**	218,355,127
	Current portion		**(85,340,652)**	(74,237,249)
	Non-current portion		**120,925,099**	144,117,878

9.1 This represents facility given to 62 (2025: 58) customers. The facilities are secured by way of asset. Customer will participate in cost ranging between 10% to 70% (2025: 25% to 50%) in purchasing the diminishing musharakah asset.

9.2 The maximum aggregate amount outstanding during the year at any point is Rs 222,994,823 (2025: Rs 222,089,949).

			2026	2025
9.3	**Provision for Diminishing Musharakah finances**		----------Rupees----------	
	As at beginning of year		**3,734,822**	3,734,822
	Charge for the year	36.1	**407,293**	-
	As at end of year		**4,142,115**	3,734,822

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

		Note	2026	2025
10	**LONG TERM DEPOSITS**		----------Rupees----------	
	Central Depository Company of Pakistan Limited		**154,862**	154,862
	Others		**34,800**	34,800
			189,662	189,662
11	**DEFERRED TAXATION**			
	Taxable / (deductible) temporary difference in respect of:			
	Accelerated tax depreciation on fixed assets and Ijarah assets		**1,344,157**	2,073,776
	Accelerated tax amortization on intangible assets		**37,331**	(4,918)
	Right of use assets		**2,245,870**	3,143,588
	Provision for short term Murabaha finances		**(5,800)**	(5,800)
	Provision for doubtful Ijarah rental receivables		**(706,834)**	(366,862)
	Provision for doubtful Murabaha finances		**(838,817)**	(1,915,022)
	Provision for short term Musharakah finances		**(91,254)**	(93,108)
	Provision for Diminishing Musharakah finances		**(1,201,213)**	(1,083,098)
	Unrealized loss on revaluation of financial assets at fair value through profit or loss		**(709,463)**	(265,500)
	Lease liabilities against right of use assets		**(2,245,095)**	(2,900,026)
			(2,171,118)	(1,416,970)
12	**SHORT TERM MURABAHA FINANCES - SECURED**			
	Considered doubtful:			
	- Regular parties		**-**	5,000,000
	- Parties under litigation	12.1	**33,800,000**	28,800,000
			33,800,000	33,800,000
	Provision for doubtful receivables	12.2	**(8,420,000)**	(8,420,000)
	Suspended income	12.3	**(20,000)**	-
		12.4	**25,360,000**	25,380,000

12.1 These represent receivables from 3 (2025: 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 3 (2025: 3) cases for recovery of Rs. 39.73 million (2025: Rs. 39.73 million).

		2026	2025
12.2	**Provision for doubtful receivables**	----------Rupees----------	
	As at beginning of year	**8,420,000**	8,400,000
	Provision during the year	**-**	20,000
	Reversal during the year	**-**	-
	Written off during the year due to settlement	**-**	-
	As at end of year	**8,420,000**	8,420,000
12.3	**Suspended income**		
	As at beginning of year	**-**	-
	Provision during the year	**20,000**	-
	As at end of year	**20,000**	-

12.4 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.

12.5 The maximum aggregate amount outstanding during the year at any point is Rs 33,800,000 (2025: Rs. 33,800,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

13	IJARAH RENTAL RECEIVABLES - SECURED	Note	2026	2025
			----------Rupees----------	
	Considered good - secured	13.1	-	470,042
	Parties under litigation - considered doubtful	13.2	**5,012,772**	5,026,212
	Suspended ijarah income - considered doubtful	13.3	**(843,499)**	(843,499)
	Provision for doubtful ijarah rental receivables	13.4	**(2,437,358)**	(1,265,040)
			1,731,915	3,387,715

13.1 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.

13.2 The doubtful Ijarah rentals include receivables from 2 (2025: 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 (2025: 2) cases for recovery of Rs. 5.012 million (2025: Rs. 5.026 million).

13.3	Suspended ijarah income - considered doubtful	Note	2026	2025
			----------Rupees----------	
	As at beginning of year		**843,499**	843,499
	Income suspended during the year	29	**-**	-
	Reversal during the year		**-**	-
	As at end of year		**843,499**	843,499

13.4	Provision for doubtful Ijarah rental receivables			
	As at beginning of year		**1,265,040**	1,271,339
	Provision for the year		**1,179,784**	-
	Reversal during the year		**(7,466)**	(6,299)
	As at end of year	13.4.1	**2,437,358**	1,265,040

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

14	MUSHARAKAH FINANCES - SECURED	Note	2026	2025
			----------Rupees----------	
	Considered good		**31,150,000**	10,499,750
	Provision for Musharakah finances	14.1	**(314,670)**	(321,061)
			30,835,330	10,178,689

14.1	Provision for Musharakah finances		
	As at beginning of year	**321,061**	321,061
	Reversal for the year	**(6,391)**	-
	As at end of year	**314,670**	321,061

15 SHORT TERM INVESTMENTS

Financial assets at fair value through profit or loss:

Alfalah Islamic Amdani Fund (AIRAF)	15.1	**10,018,021**	-
Shares of listed companies	15.2	**32,755,780**	14,287,295
		42,773,801	14,287,295

15.1

Name of Fund	Number of units				As at June 30, 2026		
	As at July 01, 2025	Purchased during the year	Redeemed during the year	As at June 30, 2026	Carrying value	Market Value	Unrealised gain
	----------Units----------				----------Rupees----------		
Alfalah Islamic Amdani Fund	-	99,842	-	99,842	10,000,000	10,018,021	18,021
Total	-	99,842	-	99,842	10,000,000	10,018,021	18,021

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

15.2 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, 2026				June 30, 2025	
2026	2025		Market value as a Percentage of paid-up capital of the investee company held	Market Value as a percentage of net assets	Average Cost	Market Value	Average Cost	Market Value
			----------%----------		----------Rupees----------			
		CEMENT						
1,500	-	Lucky Cement Limited (2 Rs/share)	0.00	0.19	703,962	704,280	-	-
			0.00	0.19	703,962	704,280	-	-
		OIL & GAS MARKETING COMPANIES						
-	10,000	Sui Southern Gas Company Limited	0.00	0.00	-	-	376,996	427,900
20,000	-	Pakistan State Oil Company Limited	0.00	1.90	7,991,713	6,847,000	-	-
			0.00	1.90	7,991,713	6,847,000	376,996	427,900
		OIL & GAS EXPLORATION COMPANIES						
12,000	-	Mari Energies Limited	0.00	2.24	8,249,883	8,091,480	-	-
			0.00	2.24	8,249,883	8,091,480	-	-
		FERTILIZER						
2,000	-	Fauji Fertilizer Company Limited	0.00	0.32	1,133,111	1,146,960	-	-
			0.00	0.32	1,133,111	1,146,960	-	-
		REFINERY						
3,000	-	National Refinery Limited	0.00	0.30	1,143,609	1,087,470	-	-
-	20,000	Pakistan Refinery Limited	0.00	0.00	-	-	717,236	678,600
-	320,000	Cnergyico PK Limited	0.00	0.00	-	-	2,628,231	2,281,600
			0.00	0.30	1,143,609	1,087,470	3,345,467	2,960,200
		POWER GENERATION & DISTRIBUTION						
-	10,000	The Hub Power Company Limited	0.00	0.00	-	-	1,354,090	1,378,100
			0.00	0.00	-	-	1,354,090	1,378,100
		FOOD & PERSONAL CARE PRODUCTS						
25,000	-	Fauji Foods Limited	0.00	0.12	498,005	447,000	-	-
			0.00	0.12	498,005	447,000	-	-
		LEATHER & TANNERIES						
1,000	-	Service GlobalFootwear Limited	0.00	0.03	123,212	121,920	-	-
			0.00	0.03	123,212	121,920	-	-
		PHARMACEUTICALS						
35,000	50,000	Citi Pharma Limited	0.00	0.75	3,047,699	2,725,450	4,547,833	4,198,500
-	10,000	The Searle Company Limited	0.00	0.00	-	-	887,028	877,000
			0.00	0.75	3,047,699	2,725,450	5,434,861	5,075,500
		TECHNOLOGY & COMMUNICATION						
85,000	50,000	Octopus Digital Limited	0.05	0.81	4,476,961	2,920,600	3,047,250	2,575,000
			0.05	0.81	4,476,961	2,920,600	3,047,250	2,575,000
		CHEMICALS						
25,000	40,000	Engro Polymer & Chemical Limited	0.00	0.23	906,893	845,250	1,707,262	1,262,000
			0.00	0.23	906,893	845,250	1,707,262	1,262,000
		TRANSPORT						
50,000	-	Pakistan International Bulk Terminal	0.00	0.26	1,036,803	954,000	-	-
			0.00	0.26	1,036,803	954,000	-	-
		COMMERCIAL BANKS						
205,000	-	Bank Islami Pakistan Limited	0.02	1.53	6,992,908	5,537,050	-	-
2,000		Meezan Bank Limited	0.00	0.29	1,029,623	1,032,920		
			0.02	1.82	8,022,531	6,569,970	-	-
		PAPER, BOARD & PACKAGING						
-	19,500	Century Paper and Board Mills Limited	0.00	0.00	-	-	790,112	608,595
			0.00	0.00	-	-	790,112	608,595
		PROPERTY						
2,000	-	Javedan Corporation Limited	0.00	0.08	297,613	294,400	-	-
			0.00	0.08	297,613	294,400	-	-
					37,631,995	32,755,780	16,056,038	14,287,295

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

		Note	2026	2025
			----------Rupees----------	
15.3	**Unrealized loss on revaluation of financial assets at fair value through profit or loss**			
	Unrealized loss on shares	15.3.1	**(3,107,472)**	1,913,987
	Unrealized gain on mutual funds	15.3.2	**18,021**	-
			(3,089,451)	1,913,987
15.3.1	**Unrealized loss on shares**			
	Difference between market value and average cost			
	- Current year		**(4,876,215)**	(1,768,743)
	- Prior year		**1,768,743**	3,682,730
			(3,107,472)	1,913,987
15.3.2	**Unrealized gain on mutual funds**			
	Difference between market value and average cost			
	- Current year		**18,021**	-
			18,021	-
16	**TAX REFUNDABLE**			
	As at beginning of year		**5,280,459**	3,997,069
	Current tax expense for the year		**(3,338,412)**	(4,804,740)
	Levy		**(74,918)**	(103,913)
	Prior year tax adjustment		**(922,436)**	-
	Advance tax paid during the year		**3,865,116**	6,192,043
	As at end of year		**4,809,809**	5,280,459
17	**ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**			
	Loans to employees - considered good	17.1	**45,000**	399,000
	Prepayments		**4,513,249**	4,950,137
	Accrued profit (secured - considered good)	17.2	**3,512,991**	2,353,774
	Legal suits' charges receivable (secured - considered good)	17.3	**2,178,106**	2,204,112
	Sundry receivables (unsecured - considered good)		**523,034**	384,474
			10,772,380	10,291,497

17.1 This includes the loan given to and receivables from executives amounting to Rs. Nil million (2025: Rs. 0.232 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. 0.355 million (2025: Rs. 0.595 million).

		Note	2026	2025
			----------Rupees----------	
17.2	**Accrued profit**			
	Profit receivable on musharakah finances		**5,355,157**	2,353,774
	Less: suspended income		**(1,842,166)**	-
			3,512,991	2,353,774
17.3	**Legal suits' charges receivable**			
	As at beginning of year		**2,723,002**	2,718,002
	Expenses incurred		**97,500**	5,000
	Write off due to settlement		**(148,526)**	-
	Gross amount		**2,671,976**	2,723,002
	Allowance for doubtful legal suits' charges receivables	17.3.1	**(493,870)**	(518,890)
	Net amount		**2,178,106**	2,204,112
17.3.1	**Movement in provision for doubtful legal suits' charges receivables**			
	As at beginning of year		**518,890**	406,926
	Provision made during the year		**-**	111,964
	Provision written off during the year		**(25,020)**	
	As at end of year		**493,870**	518,890

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

18	CASH AND BANK BALANCES	Note	2026	2025
			----------Rupees----------	
	- Current accounts	18.1	**18,432**	27,538
	- Saving accounts	18.2	**1,165,984**	3,364,844
			1,184,416	3,392,382
	Savings account - dividend	23.1	**5,661,909**	5,647,679
	Balances with banks - total		**6,846,325**	9,040,061
	Cash in hand		**9,334**	26,302
			6,855,659	9,066,363

18.1 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 17,735 (2025: Rs. 26,850). Except for this account all other bank accounts are shariah compliant.

18.2 These carry profit at rates ranging from 2.47% to 2.76 % (2025: 2.78% to 10.01%) per annum.

19	DEFERRED INCOME ON MURABAHA	Note	2026	2025
			----------Rupees----------	
	Opening balance		**3,052,900**	3,180,750
	Additions during the year		**-**	3,458,086
	Recognized during the year		**(2,043,404)**	(3,585,936)
			1,009,496	3,052,900
	Current portion		**(873,002)**	(2,043,402)
	Non-current portion		**136,494**	1,009,498

20	CUSTOMERS' LONG TERM SECURITY DEPOSITS			
	Opening balance		**17,020,118**	35,998,638
	Received during the year		**-**	-
	Adjusted during the year		**(7,152,950)**	(18,978,520)
	Closing balance	20.1	**9,867,168**	17,020,118
	Current portion shown as current liabilities		**(9,647,168)**	(5,840,750)
	Non-current portion shown as non-current liabilities		**220,000**	11,179,368

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

21	LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS	Note		
	Opening balance		**10,000,088**	7,942,065
	Additions during the year		**914,000**	4,678,651
			10,914,088	12,620,716
	Add: unwinding of lease liabilities	37	**1,628,682**	2,678,014
	Add: adjustment due to lease modifications		**677,889**	-
	Less: payments made during the year		**(5,478,952)**	(5,298,642)
	Gross liability		**7,741,707**	10,000,088
	Less: current portion		**(2,510,492)**	(2,730,428)
	Non-current portion		**5,231,215**	7,269,660

21.1 Maturity analysis of contractual cash flows

At June 30, 2026	Within one year	Later than one year but not later than five years	Later than five years
	----------(Rupees)----------		
Undiscounted cash flows	**4,265,538**	**6,956,196**	**-**
Less: discounting	**(1,755,046)**	**(1,724,981)**	**-**
Discounted cash flows	**2,510,492**	**5,231,215**	**-**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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	(2,264,068)	(3,257,742)	-
Discounted cash flows	2,730,428	7,269,660	-

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

	Note	2026	2025
		----------Rupees----------	
Carrying amount of ROU assets	5.2	**7,744,380**	10,839,957
Depreciation charge	5.2	**4,009,577**	3,860,426
Unwinding of lease liabilities	37	**1,628,682**	2,678,014
Repayment of lease liability	21	**5,478,952**	5,298,642

22	**LOAN FROM DIRECTOR**	22.1	**5,000,000**	-

22.1 This represents a loan obtained from Director, Mr. Syed Etrat Hussain Rizvi, by the Modaraba on April 28, 2026 to meet its working capital requirements. The loan is unsecured, carries no markup and was repayable within six months from the date of the agreement and has been subsequently repaid on July 03, 2026.

23	**UNCLAIMED PROFIT DISTRIBUTIONS**	Note	2026	2025
			----------Rupees----------	
	As at beginning of year		**13,697,088**	12,828,131
	Add: dividend declared during the year		**-**	14,900,000
	Less: dividends paid		**(58,450)**	(14,031,043)
	As at end of year	23.1	**13,638,638**	13,697,088
23.1	**Movement in dividend bank account:**			
	As at beginning of year		**5,647,679**	5,003,881
	Add: dividend declared during the year		**-**	14,900,000
	Dividend claim received and settled		**(58,450)**	(14,031,043)
	Profit received for the year on saving account	25.1	**91,964**	287,578
	Tax on profit received		**(18,393)**	(43,018)
	Charity paid	25	**-**	(469,000)
	Bank charges		**(891)**	(719)
	As at end of year	18	**5,661,909**	5,647,679

23.2 Management has maintained funds of Rs. 5,661,909 (2025: Rs. 5,647,679) against unclaimed profit distribution of Rs. 13,638,639 (2025: Rs. 13,697,088) resulting shortage of funds of Rs 7,976,730 (2025: Rs. 8,049,409). These shortages of funds majorly relates to 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.

24	**CREDITORS, ACCRUED AND OTHER LIABILITIES**	Note	2026	2025
			----------Rupees----------	
	Payable to Modaraba Management Company (Related party)	38	**1,724,950**	2,686,354
	Provision for Workers' Welfare Fund	24.1	**355,279**	517,762
	Accrued expenses		**1,753,303**	1,310,336
	Other liabilities		**1,129,676**	1,931,658
	Sales tax on management fee payable	38.2	**3,141,108**	2,882,365
			8,104,316	9,328,475

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

		Note	2026	2025
24.1	**PROVISION FOR SINDH WORKERS' WELFARE FUND**		----------Rupees----------	
	As at beginning of the year		**517,762**	574,375
	Expense during the year		**305,316**	475,485
	Paid during the year		**(467,799)**	(532,098)
	As at end of the year		**355,279**	517,762
25	**CHARITY PAYABLE**			
	As at beginning of the year		**108,608**	269,532
	Add: Profit received on unclaimed dividend account	23.1 & 25.1	**91,964**	287,578
	Add: Purification of dividend income	33.1	**7,961**	120,498
	Paid to charitable institutions	25.2	**(180,000)**	(569,000)
	As at end of the year		**28,533**	108,608

25.1 It represents the profit earned on unclaimed dividends held in a specialized dividend account maintained with Meezan bank. The profits received are donated to charitable institutions.

		2026	2025
25.2	**Paid To Charitable Institutions**	----------Rupees----------	
	Bait ul Sukoon	**100,000**	-
	Layton Rehmatullah Benevolent trust	**80,000**	100,000
	The Kidney Center	**-**	69,000
	Prevention of Blindness Trust	**-**	100,000
	Sindh Institute of Urology & Transplantation	**-**	100,000
	The Indus Hospital	**-**	100,000
	Shaukat Khanum Memorial Trust	**-**	100,000
		180,000	569,000

26 CERTIFICATE CAPITAL

26.1 Authorized certificate capital

2026	2025		Note	2026	2025
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

2026	2025				
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 certificates.	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 (2025: 5,261,388) Modaraba certificates which represents 17.65% (2025: 17.65%) of the equity stake in the Modaraba as required by the SECP vide Order No. SC/M/RW/Trust/2009-44.

26.5 Subsequent to reporting date, Al-Zamin Modaraba Management (Private) Limited has reduced its holding to 10% after taking specific approval from SECP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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.

			2026	2025
27	**RESERVES**		**----------Rupees----------**	
	Statutory reserve	27.1	**93,910,543**	91,634,768
	Revenue reserves:			
	- Accumulated losses		**(31,775,722)**	(40,878,821)
			62,134,821	50,755,947

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. 2,275,775 (2025: Rs.3,678,020) which represents 20% (2025: 20%) of the profit after tax.

28 CONTINGENCIES AND COMMITMENTS

28.1 ***Contingencies***

28.1.1 The Assistant Commissioner Inland Revenue (ACIR) issued an order dated June 22, 2022 under Section 161/205 of the Income Tax Ordinance, 2001 for tax year 2016, creating a demand of Rs. 1,038,285 along with default surcharge of Rs. 809,862, aggregating to Rs. 1,848,148. The Modaraba filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on July 16, 2022. The CIR(A) vide order dated December 15, 2022 confirmed the tax demand under Section 161 and remanded the matter back to the ACIR only on the issue of default surcharge under Section 205 with directions to delete the same if refunds were available.

Being aggrieved by the CIR(A) order, the Modaraba filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which vide order dated January 23, 2023 (ITA No. 6431/LB/2022) set aside the CIR(A) order and remanded the entire matter back to the Officer of Inland Revenue (OIR) with directions to follow the criteria laid down by the Hon'ble Lahore High Court in the case of Pepsi Cola International (Pvt.) Limited vs. Federation of Pakistan (W.P No. 81107 of 2021 dated April 1, 2022) for invoking provisions of Section 161 of the Ordinance.

Pursuant to the ATIR remand order, the OIR issued a fresh notice under Section 161(1A) read with Section 124 of the Ordinance dated January 05, 2026, fixing the case for hearing on January 12, 2026. The Modaraba requested an adjournment vide letter dated January 12, 2026, which was granted, and the matter is now pending before the OIR for re-adjudication. The management, based on legal advice, expects a favorable outcome in light of the ATIR order and the criteria laid down by the Hon'ble Lahore High Court.

28.1.2 The Deputy Commissioner Inland Revenue (DCIR) issued an order dated 31 August 2021 under Section 122(1) of the Income Tax Ordinance, 2001 for Tax Year 2016, creating a demand of Rs. 5,776,892. The Modaraba appealed against the order, and the Commissioner Inland Revenue (Appeals) [CIR(A)] initially remanded the matter on 24 January 2022. Pursuant thereto, the DCIR passed a fresh order dated 24 June 2024 under Sections 122(4) and 124, again creating a demand of Rs. 5,776,892, against which the Modaraba filed an appeal on 5 July 2024.

During the year, the CIR(A), vide order dated 7 July 2025, annulled the reassessment order on grounds including procedural violations, non-service of statutory notices, denial of reasonable opportunity of hearing and arbitrary/non-speaking disallowances, and remanded the matter to the OIR for fresh adjudication with directions to ensure proper service of notices, provide three clear opportunities of 15 days each and pass a speaking order after considering the taxpayer's submissions. As at 30 June 2026, the matter remains pending before the OIR for re-adjudication. Based on consultation with its tax advisor, management expects a favourable outcome.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

28.1.3 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.

28.1.4 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 stamp duty on promissory notes under Section 2(22) of Article 28 of the Stamp Act, 1899, management has acknowledged the applicability of the requirement and recognized a provision of Rs. 145,800 for the period from 1 July 2022 to 30 June 2024. Subsequently, the Modaraba discontinued the use of promissory notes.

28.1.5 The Modaraba has filed refund applications under Section 170 of the Income Tax Ordinance, 2001 for Tax Years 2015 and 2017 amounting to Rs. 815,420 and Rs. 703,765, respectively. For Tax Year 2017, the DCIR rejected the refund claim vide order dated 27 February 2026. The taxpayer appealed against the order, and the CIR(A), vide order dated 28 April 2026, remanded the matter to the DCIR for re-adjudication after scrutiny of the submitted record and provision of a reasonable opportunity of hearing. As at 30 June 2026, the matter remains pending before the DCIR.

28.1.6 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 awarded	Note No.
1	Long term Murabaha	33,907,151	5	2	8
2	Short term Murabaha	33,800,000	3	2	12
3	Diminishing Musharakah	8,334,682	1	0	9
4	Ijarah	5,012,772	2	2	13
		81,054,605			

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

28.2 ***Commitments***

	Note	2026 Not later than one year	2026 Later than one year and not later than five years
		----------(Rupees)----------	
Diminishing Musharaka	28.2.1	**4,265,538**	**6,956,196**
Operating lease commitments	28.2.2	**441,000**	**-**

	2025 Not later than one year	2025 Later than one year and not later than five years
	----------(Rupees)----------	
Diminishing Musharaka	4,553,496	10,527,402
Operating lease commitments	420,000	-

	2026	2025
	----------Rupees----------	
Disbursement of Ijarah / Murabaha / Musharakah to be made to customers	**2,000,000**	11,000,000

28.2.1 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:

28.2.2 This represenets commitment relating to rental payments under short-term lease agreements for Lahore office premises.

	Note	**2026**	2025
		----------Rupees----------	
Not later than one year		**4,265,538**	4,553,496
Later than one year and not later than five years		**6,956,196**	10,527,402
		11,221,734	15,080,898

29 INCOME FROM IJARAH - NET

Income from ijarah operations		**14,023,844**	25,081,272
Less: depreciation on fixed assets given on ijarah	7.1	**(9,062,293)**	(15,883,599)
Less: takaful on ijarah assets		**(954,930)**	(1,788,060)
		4,006,621	7,409,613

30 PROFIT ON MURABAHA FINANCES

Profit on murabaha finances		**2,381,418**	3,781,336
Income suspended during the year	12.3	**(20,000)**	-
Reversal of suspension income	8.3.1	**576,844**	103,185
		2,938,262	3,884,521

31 PROFIT ON DIMINISHING MUSHARAKAH FINANCES

Profit on diminishing musharakah finances		**55,214,170**	54,297,837
Income suspended during the year		**(1,842,166)**	-
Less: takaful on diminishing musharakah		**(7,248,036)**	(6,351,885)
		46,123,968	47,945,952

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

32 PROFIT ON MUSHARAKAH FINANCES

Profit on musharakah finances	**6,351,223**	2,982,245
Less: Agency commission	**(322,500)**	(282,500)
	6,028,723	2,699,745

33 DIVIDEND INCOME ON EQUITY INVESTMENTS

Company Name			
Bank Islami Pakistan Limited		**256,250**	-
Javedan Corporation Limited		**86,815**	-
Citi Pharma Limited		**70,000**	-
Hub Power Company Limited		**60,000**	512,500
Pakistan State Oil Company Limited		**50,000**	-
Mari Energies Limited		**33,200**	-
Attock Refinery Limited		**30,000**	75,000
Nishat Mills Limited		**-**	91,500
Pakistan Refinery Limited		**-**	50,000
Pakistan Petroleum Limited		**-**	70,000
	33.1	**586,265**	799,000

33.1 Dividend income has been purified by an amount of Rs. 7,962 (2025: Rs. 120,498) using the purification rates ranging from 0.38% to 7.25% (2025: 0.8% to 8.18%) prescribed by the Pakistan Stock Exchange (PSX) to eliminate the portion relating to non-Shariah compliant income.

34 GAIN ON DISPOSAL OF SHORT TERM INVESTMENTS

	2026
	-------Rupees------
Attock Refinery Limited	**1,011,605**
Maple Leaf Cement Factory Limited	**796,165**
The Hub Power Company Limited	**560,870**
Javedan Corporation Limited	**496,701**
Pakistan Petroleum Limited	**396,436**
Pakistan State Oil Company Limited	**370,360**
D.G. Khan Cement Company Limited	**274,610**
Citi Pharma Limited	**268,114**
Cnergyico PK Limited	**176,229**
Fauji Foods Limited	**173,360**
Century Paper & Board Mills Limited	**152,463**
Engro Polymer & Chemicals Limited	**146,864**
Pakistan Refinery Limited	**133,067**
Service GlobalFootwear Limited	**105,448**
Fatima Fertilizer Company Limited	**100,310**
The Searle Company Limited	**91,282**
Synthetic Products Enterprises Limited	**90,356**
Mari Energies Limited	**78,860**
Sui Southern Gas Company Limited	**66,739**
Oil & Gas Development Company Limited	**57,875**
Secure Logistics-Trax Group Limited	**56,735**
Engro Fertilizers Limited	**32,699**
Lucky Cement Limited	**27,429**
Fauji Cement Company Limited	**12,096**
Fauji Fertilizer Company Limited	**9,546**
Kohat Cement Company Limited	**5,621**
	5,691,840

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

		Note	2026	2025
35	**OTHER INCOME**		----------Rupees----------	
	Gain on disposal of owned fixed assets		**1,245,496**	2,150,460
	Gain on disposal of ijarah assets	7.1.4.1	**719,938**	1,908,293
	Profit on deposit and saving accounts with banks		**171,509**	378,779
	Miscellaneous income	35.1	**700,336**	834,762
			2,837,279	5,272,294

35.1 This includes an amount of Rs. 610,500 (2025: Rs. 591,600) pertaining to documentation fee.

		Note	2026	2025
36	**PROVISION FOR DOUBTFUL RECEIVABLES**		----------Rupees----------	
	Opening balance		**20,933,591**	21,458,144
	Add: charged during the year	36.1	**695,110**	124,447
	Less: trade receivable written off during the year		**-**	(100,000)
	Less: legal charges receivables' provision written off due to settlement		**-**	-
	Less: receivable against sale of Faisalabad property written off due to settlement		**-**	(549,000)
	Net provision charged/(reversal) for the year	36.1	**695,110**	(524,553)
	Closing balance	36.2	**21,628,701**	20,933,591

		Note	2026	2025
36.1	**Break up of provision (net of reversals) for doubtful receivables charged during the year are as follow:**		----------Rupees----------	
	Long term musharakah finances	9.3	**407,293**	-
	Short term murabaha finances	12.2	**-**	20,000
	Legal suits charges receivable	17.3.1	**(25,020)**	111,964
	Short term musharakah finances	14.1	**(6,391)**	-
	Ijarah rent receivables	13.4	**1,172,318**	(6,299)
	Long term murabaha finances	8.4	**(853,090)**	(1,218)
			695,110	124,447
36.2	**Break up of provision for doubtful receivables are as follows:**			
	Provision for doubtful short term murabaha finances	12.2	**8,420,000**	8,420,000
	Provision for doubtful long term murabaha finances	8.4	**5,820,688**	6,673,778
	Provision for Diminishing Musharakah finances	9.3	**4,142,115**	3,734,822
	Provision for doubtful ijarah rental receivables	13.4	**2,437,358**	1,265,040
	Provision for legal suits charges receivable	17.3.1	**493,870**	518,890
	Provision for Musharakah finances	14.1	**314,670**	321,061
			21,628,701	20,933,591

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

37 OPERATING EXPENSES

Salaries, allowances and other benefits	37.1 & 37.3	**21,498,650**	20,559,931
Depreciation on right of use assets	5.2	**4,009,577**	3,860,426
Fees and subscription		**3,366,696**	4,226,369
Vehicle running		**3,290,079**	2,783,196
Repairs and maintenance		**2,800,597**	2,337,285
Telephone, postage and courier		**1,785,438**	1,604,910
Unwinding of lease liabilities	21	**1,628,682**	2,678,014
Depreciation on own assets	5.1	**1,324,406**	993,290
Rent, rates and taxes		**1,246,707**	2,039,826
Electricity, gas and water		**1,184,972**	1,476,878
Legal and professional charges		**1,150,990**	293,000
Printing and stationery		**739,124**	779,265
Auditors' remuneration	37.4	**1,095,950**	1,046,520
Office supply		**579,754**	415,384
Amortization on intangible assets	6	**362,885**	407,328
Entertainment		**155,828**	536,335
Insurance		**155,283**	161,937
Advertisement		**172,623**	218,983
Registrar's services		**163,141**	161,801
Traveling and conveyance		**48,505**	489,565
Bank charges and commission		**44,990**	24,380
Miscellaneous	37.2	**374,019**	407,034
		47,178,896	47,501,657

37.1 This includes Rs. 1.05 million (2025: Rs. 1.01 million) in respect of contribution to the staff provident fund.

37.2 Miscellaneous expenses comprise petty cash expenditures incurred in the ordinary course of day-to-day operations.

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

2026	**Chief Executive Officer**	**Executives**	**Others**
	-----	**Rupees**	-----
Basic salary	**-**	**8,192,018**	**4,627,601**
House rent allowance	**-**	**3,276,653**	**1,850,696**
Medical allowance	**-**	**928,010**	**680,391**
Other allowances	**-**	**83,550**	**806,495**
Retirement benefits	**-**	**710,704**	**342,532**
	-	**13,190,935**	**8,307,715**
Number of person(s)	**1**	**7**	**13**
2025			
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

37.3.1 Some 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

			2026	2025
37.4	**Auditors' remuneration**		----------Rupees----------	
	Annual audit fee		**400,000**	364,000
	Half yearly review		**107,800**	98,000
	Code of corporate governance		**132,000**	120,000
	Other certifications		**96,000**	80,000
	Shariah audit fee	37.4.1	**75,000**	150,000
	Out of pocket expenses		**142,200**	157,000
			953,000	969,000
	Sindh sales tax on services		**142,950**	77,520
			1,095,950	1,046,520

37.4.1 This represents the fee paid to ASAS Shariah Advisory (Private) Limited for the external Shariah audit for the year ended June 30, 2026.

			2026	2025
38	**MODARABA MANAGEMENT COMPANY'S REMUNERATION AND RELATED SALES TAX**		----------Rupees----------	
	Profit before management Company's remuneration		**17,249,501**	26,863,543
	Percentage		**10%**	10%
		38.1	**1,724,950**	2,686,354
	Services sales tax on Management Company's remuneration	38.2	**258,743**	402,953
	Total		**1,983,693**	3,089,307

38.1 The Modaraba Management Company is entitled to remuneration for services rendered to the Modaraba in accordance with the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, of up to a maximum of 10% per annum of the annual profits of the Modaraba.

38.2 Sindh sales tax levied by Sindh Government on remuneration of Modaraba Management Company has been charged at the rate of 15% (June 30, 2025:15%).

		Note	2026	2025
39	**LEVY, MINIMUM TAX AND FINAL TAXES**		----------Rupees----------	
	Final tax	39.1	**74,918**	103,913
			74,918	103,913

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

		Note	2026	2025
40	**TAXATION**		----------Rupees----------	
	Current tax expense for the year		**3,338,412**	4,356,796
	Prior year taxation		**922,436**	225,792
	Deferred tax		**(754,148)**	222,152
		40.1	**3,506,700**	4,804,740
40.1	**Relationship between accounting profit and taxation**			
	Accounting profit before taxation		**14,960,492**	23,298,751
	Tax at the applicable tax rate of 29% (2025: 29%)		**3,338,412**	4,356,796
	Tax effect of:			
	- Permanent differences		**(754,148)**	222,152
	- Adjustments relating to prior years		**922,436**	225,792
			3,506,700	4,804,740

41	**EARNINGS PER CERTIFICATE - BASIC AND DILUTED**			
	Net profit for the year	Rupees	**11,378,874**	18,390,098
	Weighted average number of certificates	Number	**29,800,000**	29,800,000
	Earnings per certificate	Rupees	**0.38**	0.62

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

42	CASH GENERATED FROM OPERATIONS	Note	2026	2025
			----------Rupees----------	
	Profit before levy and taxation		**14,960,492**	23,298,751
	Adjustments for non-cash and other items:			
	- Depreciation:			
	Under ijarah	7.1	**9,062,293**	15,883,599
	In own use	5.1	**1,324,406**	993,290
	Right of use assets	5.2	**4,009,577**	3,860,426
	Amortization on intangible assets	6	**362,885**	407,328
	- Gain on disposal of ijarah assets	35	**(719,938)**	(1,908,293)
	- Gain on disposal of owned fixed assets	35	**(1,245,496)**	(2,150,460)
	- Provision for doubtful receivables	36.1	**695,110**	124,447
	- Profit on long term investment		**-**	(797,752)
	- Profit on sale of short term investments		**(5,691,840)**	(4,564,535)
	- Unrealized loss / (gain) on revaluation of financial assets at fair value through profit or loss	15.3	**3,089,451**	(1,795,730)
	- Unwinding of lease liabilities	21	**1,628,682**	2,678,014
	- Sindh Workers' Welfare Fund		**305,316**	475,485
	- Dividend income	33	**(586,265)**	(799,000)
			12,234,181	12,406,819
	Operating profit before working capital changes		**27,194,673**	35,705,570
	(Increase) / decrease in current assets			
	- Advances, deposits, prepayments and other receivables		**(480,883)**	1,073,751
	- Short term musharakah finances receivables		**(20,663,032)**	3,217,067
	- Ijarah rental receivables		**1,648,334**	401,210
	Increase/ (decrease) in current liabilities			
	- Charity payable		**(180,000)**	(160,924)
	- Creditors, accrued and other liabilities		**(1,788,218)**	(3,885,568)
			(21,463,799)	645,536
	Cash generated from operations		**5,730,874**	36,351,106

Changes in Financing Activities

	As at June 30, 2025	Non - cash Changes	Cash flows (Net)	As at June 30, 2026
		----------Rupees----------		
Unclaimed profit distribution	**13,697,088**	**(27,277,276)**	**(58,450)**	**13,638,638**
Lease liabilities against right of use assets	**10,000,088**	**(12,262,843)**	**(5,478,952)**	**7,741,707**
Loan from Director	**-**	**-**	**5,000,000**	**5,000,000**
	23,697,176	**(39,540,119)**	**(537,402)**	**26,380,345**

	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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

43 MATURITIES OF ASSETS AND LIABILITIES

Liquidity risk is the risk that the Modaraba will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The table below summarizes the maturity profile of the Modaraba's financial assets and financial liabilities based on remaining contractual undiscounted cash flows and maturities. Non-financial assets non-financial liabilities are excluded from this table as they do not carry contractual cash flow obligations.

		2026			
		Total	Up to one year	One year to five years	Over five years
	Note	----------Rupees ----------			
Assets:					
Long term murabaha finances	8	**35,398,358**	**33,129,755**	**2,268,603**	**-**
Long term musharakah finances	9	**206,265,751**	**85,340,652**	**120,925,099**	**-**
Long term deposits	10	**189,662**	**-**	**34,800**	**154,862**
Short term murabaha finances - secured	12	**25,360,000**	**25,360,000**	**-**	**-**
Ijarah rental receivables - secured	13	**1,731,915**	**1,731,915**	**-**	**-**
Short term musharakah finances	14	**30,835,330**	**30,835,330**	**-**	**-**
Short term investments	15	**42,773,801**	**42,773,801**	**-**	**-**
Advances and other receivables		**6,259,131**	**6,259,131**	**-**	**-**
Cash and bank balances	18	**6,855,659**	**6,855,659**	**-**	**-**
		355,669,607	**232,286,243**	**123,228,502**	**154,862**
Liabilities:					
Customers' long term security deposits	20	**9,867,168**	**9,647,168**	**220,000**	**-**
Lease liabilities against right of use assets	21	**7,741,707**	**2,510,492**	**5,231,215**	**-**
Unclaimed profit distributions	23	**13,638,638**	**13,638,638**	**-**	**-**
Creditors, accrued and other liabilities		**4,607,929**	**4,607,929**	**-**	**-**
Charity payable	25	**28,533**	**28,533**	**-**	**-**
Loan from Director	22	**5,000,000**	**5,000,000**	**-**	
		40,883,975	**35,432,760**	**5,451,215**	**-**
Net Balance		**314,785,632**	**196,853,483**	**117,777,287**	**154,862**

		2025			
		Total	Up to one year	One year to five	Over five years
	Note	..... Rupees			
Assets:					
Long term murabaha finances	8	47,438,985	40,282,404	7,156,581	-
Long term musharakah finances	9	218,355,127	74,237,249	144,117,878	-
Long term deposits	10	294,662	-	139,800	154,862
Short term murabaha finances - secured	12	25,380,000	25,380,000	-	-
Ijarah rental receivables - secured	13	3,387,715	3,387,715	-	-
Short term musharakah finances	14	10,178,689	10,178,689	-	-
Short term investments	15	14,287,295	14,287,295	-	-
Advances, prepayments and other receivables		10,291,497	10,291,497	-	-
Cash and bank balances	18	9,066,363	9,066,363	-	-
		338,680,333	187,111,212	151,414,259	154,862
Liabilities:					
Customers' long term security deposits	20	17,020,118	5,840,750	11,179,368	-
Lease liabilities against right of use assets	21	10,000,088	2,730,428	7,269,660	-
Unclaimed profit distributions	23	13,697,088	13,697,088	-	-
Creditors, accrued and other liabilities		5,928,348	5,928,348	-	-
Charity payable	25	108,608	108,608	-	-
		46,754,250	28,305,222	18,449,028	-
Net Balance		291,926,083	158,805,990	132,965,231	154,862

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

44 RISK MANAGEMENT

44.1 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:

44.1.1 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.

44.1.2 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.

44.1.3 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	2026	2025
Fixed rate instruments		----------Rupees----------	
Financial assets			
Musharakah finances	14	**30,835,330**	10,178,689
Floating rate instruments			
Financial assets			
Murabaha finances	8	**35,398,358**	47,438,985
Diminishing musharakah finances	9	**206,265,751**	218,355,127
Short term murabaha finances	12	**25,360,000**	25,380,000
Ijarah rental receivables	13	**1,731,915**	3,387,715
Bank balances - deposit accounts	18	**1,165,984**	3,364,844
Bank balances - dividend account	18	**5,661,909**	5,647,679

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. 11,657 (2025: Rs. 33,648) higher / lower. This analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting dates were outstanding for the whole year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

44.1.4 Price risk

Equity price risk represents the risk of adverse movements in the fair value of equity securities due to fluctuations in the KMI-ALL 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 as mentioned in note 15.2.

44.2 Credit risk

44.2.1 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, was as follows:

	Note	2026	2025
		----------Rupees----------	
Bank balances	18	**6,846,325**	9,040,061
Short term murabaha finances	12	**25,360,000**	25,380,000
Ijarah rental receivables	13	**1,731,915**	3,387,715
Diminshing musharakah finances	9	**210,407,866**	222,089,949
Musharakah finances	14	**30,835,330**	10,178,689
Murabaha finances	8	**35,398,358**	47,438,985
Long term and short term deposits	10	**294,662**	294,662
Short term Investments	15	**42,773,801**	14,287,295
Advances, prepayments and other receivables	17	**10,772,380**	10,291,497
		364,420,637	342,388,853

44.2.2 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:

	2026	2025
	----------Rupees----------	
Individuals	**103,630,332**	112,740,683
Trading of goods and services	**45,248,275**	47,398,433
Agriculture	**37,807,592**	14,800,000
Food and Allied	**31,748,525**	31,630,653
Oil & Gas	**23,230,892**	27,742,927
Healthcare	**20,199,673**	30,158,328
Steel	**12,635,689**	16,704,292
Registrar Services	**11,535,708**	15,079,548
Technology & Communication	**11,104,757**	15,637,203
Educational Institutions	**9,320,461**	18,484,693
Performing arts	**7,219,667**	-
Textile	**6,837,886**	1,096,727
Insurance/Tracker	**6,575,039**	10,885,800
Construction	**4,466,985**	7,400,043
Packaging	**1,476,347**	5,048,957
Dairy & poultry	**994,992**	1,661,380
	334,032,820	356,469,667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

44.2.3 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	**2026**	2025
	----------Rupees----------	
Not past due	**338,720,763**	272,446,445
Past due 1 - 180 days	**2,975,421**	1,739,850
Past due 181 days - 1 year	**3,306,047**	1,581,595
Past due 1 - 2 years	**1,028,504**	2,300,000
More than 2 years	**73,652,112**	73,047,470
	419,682,847	351,115,360
Aging of impaired murabaha, musharakah, ijarah rental and trade receivables		
Past due 181 - 365 days	**-**	-
1 - 2 years	**6,950,551**	6,804,441
More than 2 years	**14,678,150**	14,678,150
	21,628,701	21,482,591

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.

44.2.4 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 term	**Rating Agency**	**2026**	2025
			Rupees	Rupees
Meezan Bank Limited	A-1+	JCR-VIS Credit Rating Company	**6,828,590**	9,013,211
State Bank of Pakistan	-	-	**17,735**	26,850
			6,846,325	9,040,061

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

44.3 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, 2026					
Lease liabilities against right of use assets	**7,741,707**	**7,741,707**	**2,510,492**	**5,231,215**	**-**
Customers' long term security deposits	**9,867,168**	**9,867,168**	**9,647,168**	**220,000**	**-**
Unclaimed profit distributions	**13,638,638**	**13,638,638**	**13,638,638**	**-**	**-**
Creditors, accrued and other liabilities	**8,104,316**	**8,104,316**	**8,104,316**	**-**	**-**
Charity payable	**28,533**	**28,533**	**28,533**	**-**	**-**
Loan from Director	**5,000,000**	**5,000,000**	**5,000,000**	**-**	**-**
	44,380,362	**44,380,362**	**38,929,147**	**5,451,215**	**-**
June 30, 2025					
Lease liabilities against right of use assets	10,000,088	10,000,088	2,730,428	7,269,660	-
Customers' long term security deposits	17,020,118	17,020,118	5,840,750	11,179,368	-
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	-	-
	50,154,377	50,154,377	28,830,670	21,323,707	-

Note 43 to the financial statements summarizes the maturity profile of the Modaraba's assets and liabilities.

44.4 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 4.19 to the financial statements.

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

	Level 1	Level 2	Level 3	Total
	Rupees			
June 30, 2026				
Financial Assets:				
Short term investments (note 15)	**42,773,801**	**-**	**-**	**42,773,801**
June 30, 2025				
Financial Assets:				
Short term investments (note 15)	14,287,295	-	-	14,287,295

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

44.5 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
2026		----------Rupees----------			
Cash and bank balances	**18**	**-**	**6,855,659**	**-**	**6,855,659**
Short term investments	**15**	**-**	**-**	**42,773,801**	**42,773,801**
Advances and other receivables	**17**	**-**	**6,259,131**	**-**	**6,259,131**
Short term murabaha finances - secured	**12**	**-**	**25,360,000**	**-**	**25,360,000**
Short term musharakah finances (secured - considered good)	**14**	**-**	**30,835,330**	**-**	**30,835,330**
Diminishing musharakah financing - secured	**9**	**-**	**206,265,751**	**-**	**206,265,751**
Ijarah rental receivables - secured	**13**	**-**	**1,731,915**	**-**	**1,731,915**
Murabaha finances - secured	**8**	**-**	**35,398,358**	**-**	**35,398,358**
Long term and short term deposits	**10**	**-**	**294,662**	**-**	**294,662**
		-	**313,000,806**	**42,773,801**	**355,774,607**
2025					
Cash and bank balances	18	-	9,066,363	-	9,066,363
Short term investments	15	-	-	14,287,295	14,287,295
Advances and other receivables	17	-	5,341,360	-	5,341,360
Murabaha finances - secured	12	-	25,380,000	-	25,380,000
Short term musharakah finances (secured - considered good)	14	-	10,178,689	-	10,178,689
Diminishing musharakah financing	9	-	218,355,127	-	218,355,127
Ijarah rental receivables - secured	13	-	3,387,715	-	3,387,715
Murabaha finances	8	-	47,438,985	-	47,438,985
Long term and short term deposits	10	-	294,662	-	294,662
		-	319,442,901	14,287,295	333,730,196

Financial liabilities at amortized cost	Note	**2026**	2025
		----------Rupees----------	
Lease liabilities against right of use assets	21	**7,741,707**	10,000,088
Unclaimed profit distributions	23	**13,638,638**	13,697,088
Creditors, accrued and other liabilities	24	**8,104,316**	9,328,475
Charity payable	25	**28,533**	108,608
Loan from director		**5,000,000**	-
		34,513,194	33,134,259

44.6 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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.

44.7 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.

	2026	2025
	----------Rupees----------	
Total equity	**360,134,821**	348,755,947
Less: cash and bank balances	**(6,855,659)**	(9,066,363)
Capital	**353,279,162**	339,689,584
Total liabilities	**45,389,858**	53,207,277
Debt to equity ratio	**13%**	16%

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

45 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	
	2026	2025
	----------Rupees----------	
Managerial remuneration	**8,192,018**	6,056,184
House rent allowance	**3,276,653**	2,422,248
Medical allowance	**928,010**	605,568
Other allowances	**83,550**	44,400
Retirement benefits	**710,704**	605,616
	13,190,935	9,734,016
Number of persons	**7**	3

45.1 Some 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 37.3.

46 GENDER PAY GAP STATEMENT

	2026	2025
	----------Rupees----------	
Mean hourly rate - Male	**620**	532
Mean hourly rate - Female	**1,081**	1,104
	--------Percentage-------	
Mean Gender pay gap	**-74.27%**	-107.60%
Median Gender pay gap	**-69.49%**	-158.62%

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.

47 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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**	**2026**	2025
				----------Rupees----------	
Related party	**Basis of Relationship**	**Nature of transaction**			
Al-Zamin Modaraba Management (Private) Limited	Modaraba Management Company	Management fee	38.1	**1,724,950**	2,686,354
		Office rent		**1,152,000**	1,776,000
		Electric bill back-charged		**167,651**	312,465
Employees' Provident Fund	Associated undertaking	Contribution for the year		**1,053,221**	1,014,385
Etrat Hussain Rizvi	Director	Loan payable to Etrat Hussain Rizvi	22	**5,000,000**	-
Executives and close relatives thereof	Associated persons	Loan given during the year	17.1	**250,000**	200,000
		Repayment of loan received	17.1	**482,000**	178,000
Executives and close relatives thereof	Associated persons	Gain on diposal		**-**	2,163,240

The amounts above do not include salaries and other employee benefits of the executives of the Modaraba which have been disclosed in note 45.

Outstanding balance as at the reporting date		**Note**	**2026**	2025
			----------Rupees----------	
Al-Zamin Modaraba Management (Private) Limited	Payable against management fee	38.1	**1,724,950**	2,686,354
Executives	Loan receivables	17.1	**-**	232,000
Director	Loan payable to Etrat Hussain Rizvi	22	**5,000,000**	-
Executives	Payable to Ather Imam - Vice President Finance		**46,000**	46,000
Executives	Payable to Hamida Aqeel - Company Secretary		**620,000**	620,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

48 SEGMENT REPORTING

48.1 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 (2025: Nil).

48.2 Segment analysis

The segment information for the reportable segments for the year ended June 30, 2026 is as follows:

	June 30, 2026					June 30, 2025				
	Murabaha Finances	Ijarah Finances	Musharakah Finances	Investments	Total	Murabaha Finances	Ijarah Finances	Musharakah Finances	Investments	Total
	---Rupees---									
Segment revenues / profits										
Note number	**30**	**29**	**31 & 32**			30	29	31		
Gross revenue from external customers	**2,938,262**	**14,023,844**	**61,242,893**	**6,278,105**	**84,483,104**	3,884,521	25,081,272	57,280,082	5,363,535	91,609,410
Depreciation	**-**	**(9,062,293)**	**-**	**-**	**(9,062,293)**	-	(15,883,599)	-	-	(15,883,599)
Insurance expense	**-**	**(954,930)**	**(7,248,036)**	**-**	**(8,202,966)**	-	(1,788,060)	(6,634,385)	-	(8,422,445)
Other income	**-**	**719,938**	**-**	**-**	**719,938**	-	1,908,293	-	-	1,908,293
Net revenue	**2,938,262**	**4,726,559**	**53,994,857**	**6,278,105**	**67,937,783**	3,884,521	9,317,906	50,645,697	5,363,535	69,211,659
Unrealized Profit / (loss) on revaluation of investments	**-**	**-**	**-**	**(3,089,451)**	**(3,089,451)**	-	-	-	1,913,987	1,913,987
(Income)/reversal suspense	**-**	**(1,172,318)**	**(1,842,166)**	**-**	**(3,014,484)**					
(Provision)/ Reversal for doubtful receivables	**878,110**	**-**	**(400,902)**	**-**	**477,208**	(124,447)	-	-	-	(124,447)
Reportable segment profit	**3,816,372**	**3,554,241**	**51,751,789**	**3,188,654**	**62,311,056**	3,760,074	9,317,906	50,645,697	7,277,522	71,001,199
Reportable segment assets	**62,382,964**	**15,802,482**	**240,623,159**	**42,773,801**	**361,582,406**	74,397,061	36,181,081	234,288,044	14,287,295	359,153,481
Reportable segment liabilities	**1,009,496**	**9,867,168**	**-**	**-**	**10,876,664**	3,052,900	17,020,118	-	-	20,073,018
Additions to non-current assets	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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

	2026	2025
	----------Rupees----------	
Revenues		
Total revenues for reportable segments	**67,937,783**	69,211,659
Other revenues	**275,175**	3,364,001
Modaraba's revenues	**68,212,958**	72,575,660
Profit		
Total profit for reportable segments	**62,311,056**	71,001,199
Other income	**2,117,341**	3,364,001
Operating expenses	**(47,178,896)**	(47,501,657)
Modaraba Management Company's fee	**(1,724,950)**	(2,686,354)
Services sales tax on the Management Company's remuneration	**(258,743)**	(402,953)
Workers' Welfare Fund	**(305,316)**	(475,485)
Levy, minimum tax and final taxes	**(3,581,618)**	(4,908,653)
	11,378,874	18,390,098
Assets		
Total assets for reportable segments	**361,582,406**	359,153,481
Corporate assets unallocated:		
Advances, prepayments and other receivables	**4,969,264**	1,650,500
Income tax refundable	**4,809,809**	5,280,459
Deferred taxation - net	**2,171,118**	1,416,970
Long term deposits	**189,662**	294,662
Fixed assets in own use	**24,946,761**	25,100,789
Cash and bank balances	**6,855,659**	9,066,363
	43,942,273	42,809,743
Total assets as per the balance sheet	**405,524,679**	401,963,224
Liabilities		
Total liabilities for reportable segments	**10,876,664**	20,073,018
Corporate liabilities unallocated:		
Unclaimed profit distributions	**13,638,638**	13,697,088
Creditors, accrued and other liabilities	**8,104,316**	9,328,475
Charity payable	**28,533**	108,608
Loan from Director	**5,000,000**	-
Lease liabilities against right of use assets	**7,741,707**	10,000,088
Total liabilities as per the balance sheet	**45,389,858**	53,207,277

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
49	**NUMBER OF EMPLOYEES**	**------ No of employees -----**	
	Number of employees as at June 30,	**14**	16
	Average number of employees during the year	**15**	16

		2026	2025
50	**PROVIDENT FUND**	**Audited**	Audited
	Size of the fund (in rupees)	**7,564,838**	9,705,492
	Percentage of investments made	**79.31%**	77.28%
	Fair value of investments (in rupees)	**6,000,000**	7,500,000
	Cost of investments made (in rupees)	**6,000,000**	7,500,000

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

	2026		2025	
	Investment Rupees	**Investment as a % of size of funds**	Investment Rupees	Investment as a % of size of funds
Investment in Term Deposits	**6,000,000**	**79.31%**	7,500,000	77.28%
	6,000,000		7,500,000	

50.2 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.

51 SUBSEQUENT EVENT

Subsequent to reporting date, Al-Zamin Modaraba Management (Private) Limited has reduced its certificate holding to 10% in the modaraba after taking specific approval from SECP.

52 SPECIFIC DISCLOSURES FOR SHARIA COMPLIANT COMPANIES

The disclosures required under clause 10 of item no. VI and item no. VII of the Fourth Schedule of the Companies Act, 2017 for sharia complaint companies and the companies listed on Islamic index are as follows:

		Note	2026	2025
i) Balance as at June 30, 2026:			**----------Rupees----------**	
Liabilities				
Lease liabilities against right of use assets		21	**7,741,707**	10,000,088
Assets				
Short term investments	Shariah compliant	15	**42,773,801**	14,287,295
Cash and bank balances	Shariah compliant	18 & 18.1	**6,837,924**	9,066,363
ii) Transactions for the year ended June 30, 2026:				
Income from ijarah - net	Shariah compliant	29	**4,006,621**	7,409,613
Profit on murabaha finances	Shariah compliant	30	**2,938,262**	3,884,521
Profit on diminishing musharakah finances	Shariah compliant	31	**46,123,968**	47,945,952
Profit on musharakah finances	Shariah compliant	32	**6,028,723**	2,699,745
Dividend income on equity investments	Shariah compliant	33	**586,265**	799,000
Gain on sale of short term investments	Shariah compliant		**5,691,840**	4,564,535
Other income	Shariah compliant	35	**2,837,279**	5,272,294
Source and detailed breakup of other income:				
Gain on disposal of ijarah assets	Shariah compliant	7.1.4	**719,938**	1,908,293
Profit on deposit and saving accounts with banks	Shariah compliant		**171,509**	378,779
Miscellaneous income	Shariah compliant	35.1	**700,336**	834,762
Expense on ijarah assets:				
Unwinding of lease liabilities	Shariah compliant	37	**(1,628,682)**	(2,678,014)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

iii) Names of the Company's shariah compliant financial institutions	Arrangement
1. Meezan Bank Limited	Bank deposit
2. First Habib Modaraba	Diminishing Musharakah
3. UDL Modaraba	Diminishing Musharakah
4. Alfalah Asset Management Limited	Short Term Investment

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

53 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:

Reclassification from the caption component	Reclassification to the caption component	Note	Rupees
LONG TERM DEPOSITS	**SHORT TERM DEPOSITS**		
Rented property	Rented property	10	**105,000**
PROFIT ON MUSHARAKAH FINANCES	**PROFIT ON DIMINISHING MUSHARAKAH FINANCES**	32	**47,945,952**
OPERATING EXPENSES	**OPERATING EXPENSES**		
Fees and subscription	Auditors' remuneration	37	**80,000**
Miscellaneous	Auditors' remuneration	37	**77,520**

54 GENERAL

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

55 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, 2026.

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

CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER

PATTERN OF CERTIFICATE HOLDING
AS ON 30 JUNE, 2026

Number of Certificate Holders	Certificate Holdings		Total Certificate	Percentage Held
	From	To		
1000	1	100	39,938	0.1340
1141	101	500	337,035	1.1310
779	501	1,000	674,929	2.2649
876	1,001	5,000	2,347,766	7.8784
305	5,001	10,000	2,329,183	7.8161
132	10,001	15,000	1,653,371	5.5482
84	15,001	20,000	1,518,664	5.0962
47	20,001	25,000	1,072,719	3.5997
35	25,001	30,000	991,061	3.3257
21	30,001	35,000	683,471	2.2935
21	35,001	40,000	808,424	2.7128
19	40,001	45,000	808,557	2.7133
20	45,001	50,000	979,636	3.2874
11	50,001	55,000	579,770	1.9455
7	55,001	60,000	404,547	1.3575
7	60,001	65,000	442,406	1.4846
5	65,001	70,000	340,017	1.1410
3	70,001	75,000	222,007	0.7450
5	75,001	80,000	391,364	1.3133
1	80,001	85,000	82,400	0.2765
10	85,001	90,000	880,146	2.9535
6	90,001	95,000	556,782	1.8684
5	95,001	100,000	495,657	1.6633
2	110,001	115,000	223,466	0.7499
1	115,001	120,000	118,100	0.3963
2	120,001	125,000	247,901	0.8319
1	125,001	130,000	125,212	0.4202
1	130,001	135,000	134,138	0.4501
1	140,001	145,000	141,200	0.4738
1	160,001	165,000	165,000	0.5537
1	165,001	170,000	165,009	0.5537
1	180,001	185,000	181,523	0.6091
1	190,001	195,000	190,474	0.6392
2	195,001	200,000	396,200	1.3295
2	205,001	210,000	416,094	1.3963
1	210,001	215,000	213,640	0.7169
1	215,001	220,000	220,000	0.7383
2	230,001	235,000	466,149	1.5643
1	250,001	255,000	253,354	0.8502
1	255,001	260,000	259,500	0.8708
1	265,001	270,000	265,511	0.8910
1	290,001	295,000	291,200	0.9772
1	300,001	305,000	303,591	1.0188
1	395,001	400,000	396,500	1.3305
1	720,001	725,000	725,000	2.4329
1	5,260,001	5,265,000	5,261,388	17.6557
4,568.00			29,800,000	100.0000

CATEGORIES OF CERTIFICATEHOLDERS
AS AT JUNE, 2026

CATEGORIES	No. of Certificate Holders	Certificates Held	Percentage
Associates Companies, Undertakings and Related Parties	1.00	5,261,388	17.66
Banks, Development Financial Institutions and Non Banking Financial Instituations	2.00	291,400	0.98
Insurance Companies	1.00	400	0.00
General Public (Local)	4,535.00	23,670,357	79.43
Joint Stock Companies	21.00	489,955	1.64
Others	8.00	86,500	0.29
	4,568.00	29,800,000	100.00

Certificateholders holding five percent or more certificate in the Modaraba			
Al-Zamin Modaraba Management (Private) Limited	1	5,261,388.00	17.66

KARACHI

Principal Place of Business:
104-106, Kassam Court, BC-9,
Block-5, Clifton, Karachi-75600, Pakistan.
Tel: +92 (021) 3589 3369, 3587 3373
Fax: +92 (021) 3587 0408
E-mail: info@trustmodaraba.com

LAHORE

320, 3rd Floor, Garden Heights,
8-Aibak Block, New Garden Town,
Lahore, Pakistan.
Tel: +92 (042) 3594 1957
+92 (042) 3594 1958
Fax: +92 (042) 3586 6513