THIRTY FIRST ANNUAL REPORT 2025

FIRST IMROOZ MODARABA

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FIRST IMROOZ MODARABA

VISION / MISSION STATEMENT

IMROOZ is committed to:

- operate its business activities in accordance with Islamic Sharia'a in its true spirit and zeal.
- employ its funds in the best possible way and to promote and use human talents, to maximize the profit for its certificate holders.
- provide products and services that meet or preferably exceed the need and expectations of its customers in a cost effective manner and to provide satisfactory returns to its certificate holders, principals and stakeholders.

- its policies and performance that it hopes will positively contribute to society and help build a stronger and progressive Pakistan.

CODE OF CONDUCT

1. The objective of Imrooz is to engage efficiently, responsibly and profitably in its businesses. Imrooz seeks a high standard of performance and aims to maintain a long term position in its respective competitive environment.

2. Imrooz recognizes the responsibility:

    - to protect its certificate holder's investment and strive hard to provide them with better return;
    - to maintain and enhance its customer base by providing products and services which offer value in terms of price and quality.
    - to encourage growth of its employees, provide them with good working conditions and competitive terms and conditions of service and treat them without any discriminative policies on the basis of race, religion, gender or any other factor.
    - to conduct business as responsible corporate members of the society, and to comply with obligations enforced by regulatory agencies for improving corporate performance.

3. Imrooz insists on honesty, integrity and fairness in all aspects of their business.

4. Imrooz believes in free and fair business practices in open competitive markets.

MODARABA INFORMATION

Modaraba Management Company	A R Management Services (Private) Ltd.
Directors of Modaraba Company	Mr. Naveed Riaz – Chief Executive Mrs. Saadat Ikram Mr. Ameed Riaz Mr. Omar Mohammad Khan Mr. Aliuddin Ahmed
Chief Financial Officer	Mr. Sheheryar Ali
Audit Committee	Mr. Aliuddin Ahmed (Chairman) Mr. Omar Mohammad Khan (Member) Mrs. Saadat Ikram (Member)
Human Resource Committee	Mr. Aliuddin Ahmed (Chairman) Mr. Omar Mohammad Khan (Member) Mrs. Saadat Ikram (Member) Mr. Ameed Riaz (Member)
Company Secretary	Mr. Shabbir Ahmed Jamsa
Chief Internal Auditor	Mr. Abbas Kerani
Auditors	M/s. Reanda Haroon Zakaria Aamir Salman Rizwan & Company Chartered Accountants
Bankers	Soneri Bank Limited Bank Alfalah Limited Bank AL Habib Limited Faysal Bank Limited Meezan Bank Limited
Legal Advisors	Mr. Masood Aziz Advocate M/s. Masood Aziz & Associates

Shariah Advisor	Mufti Abdul Qadir
Principal place of business	Room No. 405, 4th Floor Beaumont Plaza, Beaumont Road Civil Lines Quarters, Karachi.
Registered Office of the Modaraba Company	125-S, Small Industrial Area Kot Lakhpat, Lahore.
Certificate Registration Office	F.D. Registrar Services (Pvt) Limited Office No. 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi.

FIRST IMROOZ MODARABA

CHAIRMAN REPORT

Dear Certificate Holders,

I am pleased to present the report on the affairs of First Imrooz Modaraba for the year ended June 30, 2025, and to provide an overview of the performance of the Board of Directors in achieving the Modaraba's strategic objectives during this period.

The year 2025 continued to pose economic challenges, with persistent inflationary pressures and a volatile market environment. Despite these factors, the Modaraba recorded sales revenue of Rs. 1,247.44 million, which was marginally lower than last year's Rs. 1,260.14 million.

Gross Profit for the year amounted to Rs. 289.92 million as compared to Rs. 268.06 million in the previous year, with the gross profit margin increased from 21.3% to 23.2%. The net profit, however, stood at Rs. 95.45 million, which was largely attributable to a favorable judgment by the Honorable Sindh High Court allowing reversal of a provision earlier created, along with the impact of favorable exchange rate movements during the year.

We remain confident about the future, as the Modaraba continues to deliver stable results. While broader economic reforms and stabilization measures are expected to gradually support overall market recovery, our focus will remain on maintaining sustainable growth and protecting the interests of our certificate holders.

The Board is assisted by Audit and HR Committees. The Board continued to assist the Management in setting strategic directions for the business. Board is aware of Shariah Compliance Framework and advises the Management to ensure that all transactions are in complete compliance to Shariah rules and principles, as also advised by the Shariah advisor.

Omar Mohammad Khan
Chairman
Board of Directors

September 29, 2025

FIRST IMROOZ MODARABA

چیئرمین رپورٹ

معزز سرٹیفکیٹ ہولڈرز،

مجھے فرسٹ امروز مضاربہ کے سال 30 جون 2025ء کو ختم ہونے والے امور کی رپورٹ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے اور اسی عرصے کے دوران مضاربہ کے اسٹریٹجک مقاصد کے حصول میں بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ پیش کیا گیا ہے۔

سال 2025ء مسلسل مہنگائی کے دباؤ اور منڈی کے غیر مستحکم ماحول کے ساتھ معاشی چیلنجز کا سامنا کرتا رہا۔ ان عوامل کے باوجود، مضاربہ نے 1,247.44 ملین روپے کی فروخت کی جو پچھلے سال کی 1,260.14 ملین روپے کی فروخت سے کم رہی۔

مجموعی منافع پچھلے سال کے 268.06 ملین روپے کے مقابلے میں 289.92 ملین روپے رہا، مجموعی منافع کی شرح 21.3 فیصد سے بڑھ کر 23.2 فیصد ہو گیا۔ بعد از ٹیکس منافع 95.45 ملین روپے رہا، جو بنیادی طور پر معزز سندھ ہائی کورٹ کے ایک فیصلے کی بدولت تھا جس کے تحت پہلے سے مختص کی گئی رقم کی منسوخی کی اجازت دی گئی، ساتھ ہی سال کے دوران زرِ مبادلہ کی شرح میں سازگار تبدیلیوں کے اثرات بھی شامل تھے۔

ہم مستقبل کے بارے میں پُر اعتماد ہیں کیونکہ مضاربہ مسلسل مستحکم نتائج فراہم کر رہا ہے۔ اگرچہ وسیع تر معاشی اصلاحات اور استحکامی اقدامات سے مجموعی طور پر مارکیٹ کی بحالی میں بتدریج مدد ملنے کی توقع ہے، تاہم ہماری توجہ پائیدار ترقی کو برقرار رکھنے اور اپنے سرٹیفکیٹ ہولڈرز کے مفادات کے تحفظ پر مرکوز رہے گی۔

بورڈ کو آڈٹ اور ایچ آر کمیٹیوں کی مدد بھی حاصل رہی۔ بورڈ نے مضاربہ کے کاروبار کی ترقی کے لیے وسیع اقتصادی عوامل کو مدنظر رکھتے ہوئے کاروبار کی حکمت عملی کی سمتوں کو ترتیب دینے میں انتظامیہ کی مدد جاری رکھی ہوئی ہے۔ بورڈ شریعہ کمپلائنس فریم ورک سے واقف ہے اور انتظامیہ کو مشورہ دیتا ہے کہ وہ اس بات کو یقینی بنائے کہ تمام لین دین شرعی قوانین اور اصولوں کی عین مطابق ہوں، جن پر شریعہ مشیر کی مشاورت بھی شامل ہو۔

عمر محمد خان

چیئرمین

بورڈ آف ڈائریکٹرز

29 ستمبر 2025ء

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REPORT OF THE DIRECTORS

The Board of Directors of A.R Management Services (Private) Limited, the management company of First Imrooz Modaraba would like to present to its certificate holders annual report of First Imrooz Modaraba along with audited financial statements for the year ended June 30, 2025.

1. Operating Results

The financial results of the Modaraba are summarized below:

		(Rupees in million)	
		2025	***2024***
Profit before taxation		144.72	138.74
Taxation		49.27	66.42
Profit after taxation		95.45	72.32
Earnings per certificate – basic & diluted	Rs.	31.82	24.11

2. Review of Financial Performance

In 2025, the Modaraba recorded turnover of Rs. 1,247.44 million compared to Rs. 1,260.14 million in 2024, reflecting relatively stable sales performance despite challenging market conditions.

The Gross Profit (GP) increased from Rs. 268.06 million in 2024 to Rs. 289.92 million in 2025. In percentage terms, the GP rate improved from 21.3% to 23.2% and the net profit stood at Rs 95.45 million, mainly due to a favorable judgement by the Honorable Sindh High Court that helped unlock a provision your Modaraba had made, and favorable exchange rates during the year.

The Board of Directors has decided to distribute a profit of Rs. 15/- per certificate to the certificate holders, reflecting the positive financial performance of the year.

3. Auditors

The present auditors, M/s Reanda Haroon Zakaria Aamir Salman Rizwan & Co., Chartered Accountants, being due for retirement have offered themselves for re-appointment for the year ending June 30, 2026. The Directors have approved their appointment subject to approval of the Registrar, Modaraba Companies and Modaraba.

4. Corporate Governance

Your directors are pleased to report that:

a) The financial statements prepared by the management company of the Modaraba, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

b) Proper books of accounts have been maintained.

c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d) Approved International Accounting Standards, as applicable in Pakistan to Modarabas, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

e) The system of internal control is sound in design and has been effectively implemented and monitored.

f) There are no significant doubts upon the Modaraba's ability to continue as a going concern.

g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

h) Statement summarizing key operating and financial data for the current year as well as for the last six years is given as under:

							(Rupees in 'Million)
Particulars	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
Fixed Assets	16.4	13.2	16.0	9.7	5.4	6.9	10.1
Working Capital	264.2	209.5	150.0	188.8	235.4	191.9	159.3
Certificate Holders Equity	272.3	221.9	164.5	183.7	202.4	161.3	138.2
Paid-up Certificate Capital	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Sales	1,247.4	1,260.1	1,668.5	1,378.8	1,080.0	555.1	705.6
Gross Profit	289.9	268.06	166.7	182.0	215.6	126.4	132.8
Profit before Levy & Taxation	144.7	138.7	74.3	86.8	113.2	56.6	58.6
Profit Distribution – Cash	150%	150%	50%	55%	155%	75%	50%
Earnings / (Loss) per Certificate-Rs.	31.82	24.11	(0.9)	8.1	21.4	11.7	8.4
Break-up value per Certificate-Rs.	90.77	73.95	54.8	61.3	67.5	53.8	46.4

i) Pattern of certificate holding of the Modaraba and certificate holders' information as required under the Modaraba Rules, and the Listing Regulations of Pakistan Stock Exchange are included in this report.

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5. Transfer Pricing

The Directors are pleased to report that the Modaraba has fully complied with the best practices on transfer pricing as contained in the Listing Regulations of Pakistan Stock Exchange.

6. Composition of board

The composition of board is as follows:

Category	Names
A) Executive Directors	Mr. Naveed Riaz Mr. Ameed Riaz
B) Non-Executive Directors	Mr. Omar Mohammad Khan Mrs. Saadat Ikram (Late)*
C) Independent Director	Mr. Aliuddin Ahmed
D) Female Director	Mrs. Saadat Ikram (Late)*

*As at the reporting date, the position of female director on the Board stands vacant due to the sad demise of Mrs. Saadat Ikram on April 15, 2025. The process of filling this casual vacancy is in progress as it is subject to approval of the Registrar, Modaraba Companies and Modaraba.

7. Remuneration Policy of Chief Executive and Directors

No remuneration is paid to the Chief Executive and Directors.

8. Board Meetings

During the year, four (4) meetings of the Board of Directors were held. Attendance by each director is as follows.

It is with deep sorrow that the Board records the sad demise of Mrs. Saadat Ikram on 15 April 2025. During her tenure, she actively participated in three (3) meetings held before her passing. The Board acknowledges her valuable contributions and services rendered to the Modaraba.

	Attended
Mr. Naveed Riaz	4
Mr. Ameed Riaz	4
Mr. Omar Mohammad Khan	4
Mrs. Saadat Ikram	3
Mr. Aliuddin Ahmed	4

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9. Acknowledgement

The Board wishes to express its thanks for continued guidance and support extended by the Registrar Modaraba and other officials of Securities and Exchange Commission of Pakistan. The Board also wishes to thank its certificate holders, colleagues, investors, bankers and business associates for their continued support and co-operation and above all appreciates the dedication and hard work of each staff member of the Modaraba.

For and on behalf of the Board of Directors

Naveed Riaz
Chief Executive
29 September 2025

Ameed Riaz
Director

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ڈائریکٹرز کی رپورٹ

فرسٹ امروز مضاربہ کی انتظامی کمپنی اے آر مینجمنٹ سروسز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز مسرت کے ساتھ مضاربہ کے سالانہ نتائج برائے 30 جون، 2025ء بمعہ آڈٹ رپورٹ پیش کرتے ہیں۔

نمایاں مالیاتی نکات

مضاربہ کے مالیاتی نتائج مندرجہ ذیل ہیں:

		(ملین روپیوں میں) 30-Jun-25	30-Jun-24
قبل از ٹیکس منافع		144.72	138.74
ٹیکس		49.27	66.42
بعد از ٹیکس منافع		95.45	72.32
فی کس شیئر آمدنی (بنیادی اور تحلیل شدہ)	روپے	31.82	24.11

کارکردگی کا جائزہ

سال 2025ء میں مضاربہ کے کاروبار کا حجم پچھلے سال کے 1,260.14 ملین روپے کے مقابلے میں 1,247.44 ملین روپے ہو گیا، یہ مشکل کاروباری حالات کے باوجود نسبتاً مستحکم فروخت کی کارکردگی کو ظاہر کرتا ہے۔

مجموعی منافع سال 2024ء میں ہونیوالے 268.06 ملین روپے سے بڑھ کر سال 2025ء میں 289.92 ملین روپے رہا۔ شرح کے اعتبار سے مجموعی منافع 21.3 فیصد سے بڑھ کر 23.2 فیصد رہا اور بعد از ٹیکس منافع 95.45 ملین روپے رہا، جو بنیادی طور پر معزز سندھ ہائی کورٹ کے ایک فیصلے کی

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بدولت تھا، جس کے تحت پہلے سے مختص کی گئی رقم کی منسوخی کی اجازت دی گئی، ساتھ ہی سال کے دوران زرِ مبادلہ کی شرح میں سازگار تبدیلیوں کے اثرات بھی شامل تھے۔

بورڈ آف ڈائریکٹرز نے سرٹیفکیٹ ہولڈرز کو ہر سرٹیفکیٹ پر 15 روپے منافع تقسیم کرنے کا فیصلہ کیا ہے، جو سال کی مثبت مالی کارکردگی کی عکاسی کرتا ہے۔

آڈیٹر

موجودہ آڈیٹر ریانڈا ہارون زکریا عامر سلمان رضوان اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہونے کے بعد 30 جون 2026ء کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے خود کو پیش کر رہے ہیں۔ ڈائریکٹرز نے ان کی تقرری کے لیے منظوری دیدی ہے، جو رجسٹرار مضاربہ کی منظوری سے مشروط ہے۔

کارپوریٹ گورننس

ہمارے ڈائریکٹرز رپورٹ کرتے ہیں:

1) فرسٹ امروز مضاربہ کی انتظامی کمپنی اے آر مینجمنٹ سروسز (پرائیویٹ) لمیٹڈ کی انتظامیہ کے تیار کردہ مالی گوشواروں میں اسکے واضع امور، عملدرآمد کے نتائج، کیش فلو اور ایکوئٹی میں تبدیلیاں پیش کی گئی ہیں۔

2) مضاربہ کے اکاؤنٹ کی کتابوں کو باقاعدگی سے تیار گیا ہے۔

3) مالی گوشواروں اور اکاونٹنگ تخمینوں کی تیاری میں متعلقہ موزوں اکاونٹنگ پالیسیاں بروئے کار لائی گئی ہیں اور یہ مناسب فیصلوں پر مبنی ہیں۔

4) بین الاقوامی اکاؤنٹنگ سٹینڈرڈز جو کہ پاکستان میں قابل عمل ہیں اور مالی گوشواروں کی تیاری میں باقاعدگی سے اس پہ عمل کیا جاتا ہے

5) انٹرنل کنٹرول کا نظام موجود ہے اور اُسے مؤثر طریقے سے لاگو کیا گیا ہے۔

6) جاری ادارہ کی حیثیت سے مضاربہ کے لئے کوئی اہم شکوک وشبہات نہیں ہیں۔

7) لسٹنگ کے ضابطے میں موجود کارپوریٹ گورننس کے بہترین طریقوں میں سے کوئی بے ضابطگی نہیں ہوئی ہے۔

8) گزشتہ چھ سال اور موجودہ سال کے اہم آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ حسب ذیل ہے:

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(Rupees in 'Million)							
Particulars	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
Fixed Assets	16.4	13.2	16.0	9.7	5.4	6.9	10.1
Working Capital	264.2	209.5	150.0	188.8	235.4	191.9	159.3
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Gross Profit	289.9	268.06	166.7	182.0	215.6	126.4	132.8
Profit before Levy & Taxation	144.7	138.7	74.3	86.8	113.2	56.6	58.6
Profit Distribution – Cash	150%	150%	50%	55%	155%	75%	50%
Earnings / (Loss) per Certificate-Rs.	31.82	24.11	(0.9)	8.1	21.4	11.7	8.4
Break-up value per Certificate-Rs.	90.77	73.95	54.8	61.3	67.5	53.8	46.4

(9 پاکستان اسٹاک ایکسچینج کی فہرست سازی کے قوائد وضابطے کے تحت خاکہ برائے مضاربہ سرٹیفکیٹ مالکان کی تفصیلی معلومات اس رپورٹ میں شامل ہیں۔

منتقلی کی قیمتوں کا تعین

ڈائریکٹرز کو رپورٹ کرتے ہوئے خوشی ہے کہ پاکستان اسٹاک ایکسچینج لمیٹڈ کی لسٹنگ ریگولیشن کے مطابق مضاربہ مکمل طور منتقلی کی قیمتوں کے تعین کے اصولوں پر بہترین طریقوں کے ساتھ عمل پیرا ہیں۔

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بورڈ کی تشکیل

عہدہ	نام
ایگزیکیوٹیوڈائریکٹرز	جناب نوید ریاض جناب عمید ریاض
نان ایگزیکیوٹیو/آزادڈائریکٹرز	جناب عمر محمد خان محترمہ سعادت اکرام (مرحومہ)
غیر جانبدار ڈائریکٹر	جناب علی الدین احمد
خاتون ڈائریکٹر	محترمہ سعادت اکرام (مرحومہ)

*رپورٹ کی تاریخ تک بورڈ میں خاتون ڈائریکٹر کا عہدہ محترمہ سعادت اکرام کی 15 اپریل 2025ء کو انتقال کے باعث خالی ہے۔اس عارضی خالی آسامی کو پُر کرنے کا عمل جاری ہے جو رجسٹرار، مضاربہ کمپنیز اور مضاربہ کی منظوری سے مشروط ہے۔

ڈائریکٹرز کا معاوضہ

چیف ایگزیکیوٹیو اور ڈائریکٹرز کو کوئی معاوضہ نہیں دیا جاتا ہے۔

بورڈ کے اجلاس

سال کے دوران، بورڈ آف ڈائریکٹرز کے چار (4) اجلاس منعقد کیے گئے تھے۔ ہر ایک ڈائریکٹر کی طرف سے حاضری مندرجہ ذیل ہے:

گہرے دکھ کے ساتھ بورڈ محترمہ سعادت اکرام کے 15 اپریل 2025ء کو افسوسناک انتقال کو ریکارڈ پر لاتا ہے۔ اپنے دورِ کار کے دوران انہوں نے اپنے وصال سے قبل منعقدہ تین (3) اجلاسوں میں شرکت کی۔ بورڈ ان کی قیمتی خدمات اور مضاربہ کے لیے دیے گئے کردار کو خراجِ تحسین پیش کرتا ہے۔

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شرکت کی تعداد	
جناب نوید ریاض	4
جناب عمید ریاض	4
جناب عمر محمد خان	4
محترمہ سعادت اکرام (مرحومہ)	3
جناب علی الدین احمد	4

اعتراف نامہ

بورڈ اس موقع پر رجسٹرار مضاربہ اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے دیگر حکام کی مسلسل رہنمائی اور مدد کے لئے اپنے تشکر کا اظہار کرتا ہے۔ بورڈ اس کے علاوہ اپنے سرٹیفکیٹ مالکان، رفقائے کار، سرمایہ کاروں، بینکاروں اور کاروباری پارٹیوں کی رہنمائی اور خصوصا مضاربہ کے تمام ملازمین کی شبانہ روز محنت اور لگن کے لئے ان سب کا شکر گزار ہے۔

منجانب بورڈ

نوید ریاض	عمید ریاض
چیف ایگزیکیوٹیو	ڈائریکٹر

29 ستمبر 2025ء

First Imrooz Modaraba

TEN YEARS AT A GLANCE

(Rupees in million)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Balance Sheet Information										
Authorized capital	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Certificate capital	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000
Statutory reserve & surplus	242.304	191.858	134.539	153.737	172.382	131.259	109.163	104.861	107.472	110.173
Certificate holders' equity	272.304	221.858	164.539	183.737	202.382	161.259	139.163	134.861	137.472	140.173
Deferred liability - staff gratuity	6.720	6.720	6.720	12.737	36.443	34.840	30.196	25.037	21.263	19.429
Qard-e-Hasna from Modaraba management company	3.000	-	-	55.000	-	15.800	-	120.000	34.300	-
Musawamah / Murabaha / Musharaka / Salam financing	192.936	141.423	142.032	74.120	63.780	88.664	74.637	35.230	34.371	35.013
Non current liabilities	8.293	7.533								
Current liabilities	398.240	310.301	610.479	690.402	358.079	166.173	171.869	255.192	212.043	180.340
Fixed Assets	16.410	13.204	16.003	9.677	5.350	6.898	10.119	12.969	13.347	14.459
Stock-in-trade	450.669	312.073	378.195	648.475	304.553	215.103	212.679	265.574	258.027	129.910
Trade debtors	204.652	205.683	311.213	200.167	269.762	116.713	98.603	113.779	83.997	129.336
Investments	-	-	-	-	-	-	-	-	-	-
Current assets	662.427	526.488	767.157	879.232	593.511	358.107	331.110	402.120	357.050	325.367
Operational Results										
Sales	1,247.437	1,260.138	1,668.529	1,378.793	1,080.003	555.117	705.649	897.589	734.216	827.864
Cost of sales	957.518	992.077	1,501.743	1,196.786	864.359	428.749	572.872	753.652	615.605	699.196
Gross profit	289.918	268.061	166.786	182.007	215.644	126.368	132.777	143.937	118.611	128.668
Other income	21.504	0.521	2.868	8.969	2.831	1.110	1.541	0.508	2.138	1.102
Financial charges	26.126	34.802	20.124	4.625	5.287	7.303	8.101	2.564	2.346	2.063
Workers welfare fund	-	2.831	1.518	1.726	2.310	1.156	1.195	6.254	(1.072)	-
Operating & other expenses	140.576	76.481	73.651	94.897	82.972	62.373	66.453	62.522	54.444	46.822
(Diminution) / unrealised appreciation on remeasurement of investment - net	-	-	-	-	-	-	-	-	-	-
Operating profit	149.342	191.580	93.135	87.110	132.673	63.995	66.324	81.415	64.167	81.846
Profit payable to the modaraba company as their remuneration	-	15.730	-	2.880	14.715	-	-	-	-	-
Profit before tax	144.720	138.738	74.361	86.848	113.192	56.646	58.568	73.105	65.031	80.885
Taxation	49.274	66.420	77.059	62.479	49.007	21.531	33.259	42.554	31.732	38.868
Profit / (Loss) after tax	95.446	72.319	(2.698)	24.369	64.185	35.115	25.310	30.551	33.299	42.017
Transfer to statutory reserve	-	-	-	1.218	12.837	10.534	8.858	12.220	1.665	2.101
Transfer to statutory reserve (%)	0%	0%	0%	5%	20%	30%	35%	40%	5%	5%
Profit Distribution										
Profit distribution	45.000	45.000	15.000	16.500	46.500	22.500	15.000	17.010	30.000	36.000
Rate per certificate	150.00%	150.00%	50.00%	55.00%	155.00%	75.0%	50.0%	56.7%	100.0%	120.0%
Financial Ratios										
Gross profit - % of sales	23.24%	21.27%	10.00%	13.20%	19.97%	22.76%	18.82%	16.04%	16.15%	15.54%
Operating expenses - % of sales	11.27%	6.07%	4.41%	6.88%	7.68%	11.24%	9.42%	6.97%	7.42%	5.66%
Operating profit - % of sales	11.97%	15.20%	5.58%	6.32%	12.28%	11.53%	9.40%	9.07%	8.74%	9.89%
Debts - % of total assets	59.89%	58.89%	79.00%	79.00%	66.00%	56.00%	59.00%	61.48%	57.25%	53.07%
Profit before tax - % of sales & other income	11.40%	11.01%	4.45%	6.26%	10.45%	10.18%	8.28%	8.14%	8.83%	9.76%
Profit / (Loss) after tax - % of sales & other income	7.52%	5.74%	(0.16)%	1.76%	5.93%	6.31%	3.58%	3.40%	4.52%	5.07%
Return to Certificate holders										
Return on equity - before tax	53.15%	62.53%	45.19%	47.27%	55.93%	35.13%	42.09%	54.21%	47.30%	57.70%
Return on equity - after tax	35.05%	32.60%	(1.64)%	13.26%	31.71%	21.78%	18.19%	22.65%	24.22%	29.98%
Earning per certificate - Rs.	31.82	24.11	(0.90)	8.12	21.40	11.70	8.44	10.18	11.10	14.01
Profit distribution per certificate - Rs.	15.00	15.00	5.00	5.50	15.50	7.50	5.00	5.67	10.00	12.00
Market price per certificate - Rs.	183.35	173.00	158.00	166.90	147.00	89.36	155.59	219.57	230.50	115.00
Break-up value per certificate - Rs.	90.77	73.95	54.85	61.25	67.46	53.75	46.39	44.95	45.82	46.72

REANDA

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS OF FIRST IMROOZ MODARABA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **First Imrooz Modaraba** (the Modaraba), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Flotation and Control) Ordinance,1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with 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 A R Management Services (Private) Limited (the Modaraba Management Company) in accordance with the International Ethics Standards Board for *Accountants' Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 17.3 to the accompanying financial statements, which sets out the Modaraba's accounting treatment and legal position in respect of the Workers' Welfare Fund. Our opinion is not modified in respect of this matter.

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Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants
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Other offices at:
Lahore and Islamabad

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 year. 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 matter was addressed in our audit*
1	*Valuation of stock-in-trade*	
	Refer notes 3.4 and 8 to the enclosed financial statements. As at 30 June 2025, stock-in-trade, comprising stock in hand and in bonded warehouse, is recorded at Rs. 450.669 million (net of provision of Rs. 2.280 million). Stock-in-trade is measured at the lower of cost and net realizable value in accordance with the applicable accounting framework. We identified the valuation of stock-in-trade as a key audit matter owing to: • its significance, representing 66.38% of the total assets of the Modaraba as at 30 June 2025; and • the judgment and estimation involved in determining provisions for slow-moving and obsolete items and in reassessing the basis of net realizable value.	Our audit procedures in respect of valuation of stock-in-trade, against others, included the following: • Obtaining understanding of and assessing the design, implementation and operating effectiveness of the internal controls over the valuation of stock-in-trade including determination of net realizable values and identification of slow moving and obsolete stock in trade; • Observed the condition and existence of stock-in-trade during attendance at the annual stock count; • On a sample basis, we tested the application of the FIFO method by reconciling selected inventory layers to purchase invoices and inventory records, and recomputed the valuation to verify that stock-in-trade was recorded at cost in accordance with the stated accounting policy. • Assessing the net realizable value of stock-in-trade by comparing, on a sample basis, management's estimation of future selling price and cost to sell the products at selling price less cost to sell achieved subsequent to the end of the reporting period; • Comparing sample of ageing of stock in trade with underlying purchase supporting documents for completeness and accuracy of ageing, recalculating provision for slow moving/ obsolete item in accordance with approved accounting policy of the Modaraba; and • Assessed the adequacy of the related disclosure in Accordance with the applicable financial reporting standards and the Companies Act, 2017.

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S. No.	*Key Audit Matters*	*How the matter was addressed in our audit*
2	***Revenue recognition***	
	Refer notes 3.17 and 23 to the accompanying financial statements, the Modaraba generated revenue from industrial raw materials amounting to Rs. 1,247.436 million (net of sales tax) during the year. We identified revenue recognition as a key audit matter due to: • the nature of the transactions and the judgment involved in determining the timing and measurement of revenue; and • its significance as one of the key performance indicators of the Modaraba, which gives rise to an inherent risk of material misstatement in order to meet expectations or performance targets.	Our audit procedures amongst others compromised of: • Obtained understanding of the process related to internal control for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifying in relation to recognition of revenue and timing thereof; • On a sample basis, reviewed sales transactions near the reporting date to assess whether transactions are recorded in the relevant accounting period; • Performed procedure to analyze the variation in the price and quantity sold during the year; • Reconciled revenue recorded in the books of account on sample basis with underlying accounting records including dispatch and delivery documents and with the submitted sales tax returns; and • Assessed the adequacy of the related disclosures in accordance with applicable financial reporting standards and the Companies Act, 2017.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The Other Information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

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REANDA

Responsibilities of Management and Board of Directors 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 (Flotation and Control) Ordinance, 1980 (XXXI of 1980) and for such internal control as management of *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* Company'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 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 Management 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 assurance 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 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.

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- 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 Management 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 Management 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 Management 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 and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and are in agreement with the books of account;

c) business conducted, investments made, expenditure incurred and guarantees extended during the year by the Modaraba were in accordance with the objects, terms and conditions of the Modaraba; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other matters

The financial statements of the Modaraba Company for the year ended June 30, 2024 were audited by another firm of Chartered Accountants, who through their report dated October 03, 2024 expressed an unmodified opinion.

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

RHZASRCo Reanda Haroon Zakaria Aamir Salman Rizwan Co

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: 30 SEP 2025

UDIN: AR202510086elfPIdUx9

FIRST IMROOZ MODARABA

FIRST IMROOZ MODARABA
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	4	**15,072,279**	11,727,765
Intangible assets	5	**435,500**	877,600
Long term deposits	6	**902,702**	598,202
Deferred tax	7	**-**	-
		16,410,481	13,203,567
Current Assets			
Stock in trade	8	**450,669,478**	312,073,335
Trade debtors	9	**204,651,757**	205,683,131
Advances, other receivables, deposits and prepayments	10	**4,555,285**	2,312,249
Bank Balances	11	**2,550,461**	6,419,338
		662,426,981	526,488,053
Total Assets		**678,837,462**	539,691,620
EQUITY AND LIABILITIES			
Capital and Reserves			
Authorized capital			
10,000,000 Modaraba certificates of Rs. 10 each		**100,000,000**	100,000,000
Paid-up Capital			
Issued, subscribed and paid-up certificate capital	12	**30,000,000**	30,000,000
Reserves			
Statutory reserve	13	**118,733,257**	118,733,257
Un-appropriated profit	14	**123,570,792**	73,124,705
Shareholders' Equity		**272,304,049**	221,857,962
Non-Current Liabilities			
Obligation under diminishing musharaka	15	**1,573,486**	812,945
Defined benefit plan - Staff gratuity	16	**6,719,947**	6,719,947
		8,293,433	7,532,892
Current Liabilities			
Current portion of obligation under diminishing musharaka	15	**1,576,912**	609,677
Creditors, accrued and other liabilities	17	**200,307,339**	161,506,491
Running Musharaka	18	**29,785,817**	2,664,069
Musawamah finance	19	**160,000,000**	140,000,000
Qard-e-Hasana from Modaraba Management Company	20	**3,000,000**	-
Accrued profit on finance facilities	21	**3,569,912**	5,520,529
		398,239,980	310,300,766
Contingencies and Commitments	22		
Total Equity and Liabilities		**678,837,462**	539,691,620

The annexed notes from 1 to 44 form an integral part of these financial statements.

For A R Management Services (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE **DIRECTOR** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

FIRST IMROOZ MODARABA

FIRST IMROOZ MODARABA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	***2025 Rupees***	*2024 Rupees*
Sales	23	**1,247,436,532**	1,260,138,291
Cost of sales	24	**(957,518,457)**	(992,077,282)
Gross profit		**289,918,075**	268,061,009
Operating expenses	25	**(138,090,506)**	(75,049,052)
Operating profit		**151,827,569**	193,011,957
Financial charges	26	**(26,125,955)**	(34,801,563)
Other income	27	**21,504,063**	521,456
Provision of expected credit loss	9.1	**(2,485,657)**	(1,432,290)
Other Expenses	28	**-**	(18,561,348)
Profit before levies and taxation		**144,720,020**	138,738,212
Levies	29	**(49,273,933)**	(66,419,664)
Profit before taxations		**95,446,087**	72,318,548
Taxation	30	**-**	-
Profit after taxations		**95,446,087**	72,318,548
Other comprehensive income		**-**	-
Total comprehensive income for the year		**95,446,087**	72,318,548
		(Rupees per share)	
Earnings per certificate - basic and diluted	31	**31.82**	24.11

The annexed notes from 1 to 44 form an integral part of these financial statements.

For A R Management Services (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE **DIRECTOR** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

FIRST IMROOZ MODARABA

FIRST IMROOZ MODARABA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Paid-up certificate capital	Statutory reserve	Revenue Reserve (Un-appropriated profit)	Total
	Rupees			
Balance at July 01, 2023	30,000,000	118,733,257	15,806,157	164,539,414
Profit for the year	-	-	72,318,548	72,318,548
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	72,318,548	72,318,548
Transaction with owners				
Profit distribution for the year ended June 30, 2023 at Rs. 5 per certificate	-	-	(15,000,000)	(15,000,000)
Balance at June 30, 2024	**30,000,000**	**118,733,257**	**73,124,705**	**221,857,962**
Profit for the year	**-**	**-**	**95,446,087**	**95,446,087**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**95,446,087**	**95,446,087**
Transaction with owners				
Profit distribution for the year ended June 30, 2024 at Rs. 15 per certificate	**-**	**-**	**(45,000,000)**	**(45,000,000)**
Balance at June 30, 2025	**30,000,000**	**118,733,257**	**123,570,792**	**272,304,049**

The annexed notes from 1 to 44 form an integral part of these financial statements.

For A R Management Services (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE **DIRECTOR** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

FIRST IMROOZ MODARABA

FIRST IMROOZ MODARABA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before levies and taxation		**144,720,020**	138,738,212
Adjustments:			
Depreciation of property and equipment	4	**5,342,276**	3,879,030
Amortization of intangible assets	5	**442,100**	520,896
Gain on disposal of property and equipment	27	**(4,817,962)**	(69,603)
Liability written back	27	**(15,490,654)**	-
Provision for expected credit losses	9.1	**2,485,657**	1,432,290
Reversal of salam charges	27	**(127,605)**	-
Financial charges	26	**26,125,955**	34,801,563
		13,959,767	40,564,176
Cash generated before working capital changes		**158,679,787**	179,302,388
Working capital changes			
(Increase) / decrease in current assets			
Stock in trade	8	**(138,596,143)**	66,121,589
Trade debtors	9	**(1,454,283)**	104,097,254
Advances, other receivables, deposits and prepayments	10	**(2,243,036)**	23,181,285
		(142,293,462)	193,400,128
Increase / (decrease) in current liabilities			
Creditors, accrued and other liabilities	17	**55,660,601**	(306,523,242)
Cash generated from operations		**72,046,926**	66,179,274
Finance cost paid		**(27,948,967)**	(30,662,796)
Income tax paid		**(49,273,933)**	(67,086,329)
Long term deposit paid	6	**(304,500)**	-
Net cash used in operating activities		**(5,480,474)**	(31,569,851)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	4	**(11,508,828)**	(1,815,452)
Proceeds from disposal of property and equipment		**7,640,000**	285,000
Net cash used in investing activities		**(3,868,828)**	(1,530,452)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(46,369,099)**	(14,790,699)
Receipts of Qard-e-Hasana from Modaraba Management Company		**99,000,000**	243,500,000
Repayment of Qard-e-Hasana to Modaraba Management Company		**(96,000,000)**	(243,500,000)
Receipts of Murabaha finances		**9,000,000**	-
Repayment of Murabaha finances		**(9,000,000)**	-
Receipts from musharaka finances		**1,753,247,473**	1,821,671,890
Repayment of musharaka finances		**(1,724,397,949)**	(1,819,617,530)
Receipts of musawamah finances		**485,000,000**	485,000,000
Repayment of musawamah finances		**(465,000,000)**	(485,000,000)
Net cash generated from / (used in) financing activities		**5,480,425**	(12,736,339)
Net decrease in cash and cash equivalents (A+B+C)		**(3,868,877)**	(45,836,642)
Cash and cash equivalents at beginning of the year	11	**6,419,338**	52,255,980
Cash and cash equivalents at end of the year	11	**2,550,461**	6,419,338

The annexed notes from 1 to 44 form an integral part of these financial statements.

For A R Management Services (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE **DIRECTOR** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

FIRST IMROOZ MODARABA

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

1 STATUS AND NATURE OF BUSINESS

First Imrooz Modaraba (the Modaraba) is a multipurpose and perpetual modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by A R Management Services (Private) Limited (the Modaraba Management Company). The Modaraba Management Company is incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and was registered with the Registrar of Modaraba Companies and Modaraba under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The Modaraba is listed on Pakistan Stock Exchange Limited. After receiving the certificate of minimum subscription the Modaraba commenced its operations with effect from March 01, 1994.

It is a multi purpose, perpetual Modaraba and is mainly engaged in domestic and international trading activities. The Modaraba primarily trades in industrial raw materials, catering to numerous industries like paint, coatings, pharmaceuticals, food, agriculture, personal care, household, textile etc.

The Modaraba has entered into rental agreements for the use of premises and warehouses of its associated companies, the details of which are as under;

(i) Registered office: Room No. 405, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Line Quarters, Karachi, Sindh, Pakistan.
(ii) Karachi warehouse: C-28, S.I.T.E, Karachi.
(iii) Lahore branch / warehouse: Plot # 125-S, Small Industries Area, Kot Lakhpat, Lahore.

Transaction-wise details of the above arrangements have been presented in note 38 to these financial statements.

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:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards (IASB) as notified under the Companies Act 2017; and

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act 2017;

- Provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Companies Act, 2017;

- Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021 and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021, IFAS, the Company Act, 2017 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) [Regulations] differ from IFRS, the requirements of the Regulations have been followed.

Furthermore, through S.R.O. 203 (I)/2024 dated February 15, 2024, SECP has revised the titles of the main financial statements.

2.2 Going concern Assessment

These financial statements have been prepared on a going concern basis. The Board has assessed the Modaraba's ability to continue as a going concern and concluded no material uncertainties exist that cast significant doubt over this assessment.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except as stated otherwise in these financial statements.

2.4 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is also the Modaraba's functional and presentation currency.

2.5 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period

The following standards, amendments to standards and interpretations are effective for the year ended June 30, 2025. However, except as disclosed otherwise, these standards, interpretations and amendments are either not relevant to the Modaraba's operations or are not expected to have significant impact on the Modaraba's financial statements other than certain additional disclosures:

	Effective for period beginning on or after
Amendments to IFRS 7 'Financial Instruments: Disclosures' and IAS 7 'Statement of Cash Flows': Amendments regarding supplier finance arrangements.	January 01, 2024
Amendments to IFRS 16 'Leases': Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the classification of liabilities and debts with covenants.	January 01, 2024

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

2.6 *Amendments to standards and IFRS interpretations that are not yet effective*

The following standards, amendments to standards and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Modaraba's operations or are not expected to have significant impact on the Modaraba's financial statements other than certain additional disclosures:

	Effective from accounting period beginning on or after
Amendments to IFRS 7 'Financial Instruments - Disclosures' and IFRS 9 'Financial Instruments': Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between an investor and its associate or joint venture.	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.

	Effective from accounting period beginning on or after
IFRS 17 - Insurance Contracts	January 01, 2026
IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information	January 01, 2025
IFRS S2 Climate-related Disclosures	January 01, 2025

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 - First Time Adoption of International Financial Reporting Standards
IFRS 18 - Presentation and Disclosures in Financial Statements
IFRS 19 - Subsidiaries without Public Accountability: Disclosures

2.7 *Significant accounting judgements, estimates and assumptions*

The preparation of financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies and commitments at the end of the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainty with significant risk of material adjustment to the carrying amount of assets and liabilities in future period are described in following note:

- Estimates of residual values, useful lives and depreciation methods of tangible assets (notes 3.1 and 4);

- Estimates of residual values, useful lives and amortization methods of intangible assets (notes 3.2 and 5);

- Taxation (notes 3.6, 7, 29 and 30);

- Provision for expected credit loss (notes 3.5 and 9);

- Provision for staff gratuity (notes 3.11 and 16);

- Stock in trade (notes 3.4 and 8); and

- Contingencies (notes 3.20 and 22);

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to income at the rates specified in note 4 by using straight line method. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent costs are recognized as an asset, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the year in which they are incurred.

Depreciation on additions is charged from the month in which asset is available for use while no depreciation is charged from the month in which an asset is disposed off.

Gains / (losses) on disposal of property and equipment are accounted for in the year in which they arise.

Right-of-use assets and lease liabilities (Diminishing musharaka)

At the inception of the contract, the Modaraba assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets are initially measured based on the initial amount of lease liabilities adjusted for any principle lease payments made at or before the commencement date, plus any initial direct costs incurred. Right-of-use assets are depreciated on same basis as owned assets at the rates as disclosed in note 4.1 to these financial statements.

The related lease liabilities are initially measured at the present value of remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease. The lease liabilities are subsequently measured at amortized cost using the effective interest rate method. They are remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, any change in the Modaraba's estimate of the amount expected to be payable under a residual value guarantee, or if the Modaraba changes its estimate of whether it will exercise a purchase or termination option. The corresponding adjustment is made to the carrying amount of the respective right-of-use asset, or is recorded in profit or loss if the carrying amount of that right-of-use has been reduced to zero.

3.2 Intangible assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only where it is probable that the future economic benefits associated with the asset will flow to the Modaraba and the cost of the item can be measured reliably. Amortization is charged to income using the straight line method over a period of four years.

The useful lives and amortization methods are reviewed and adjusted, as appropriate, at each reporting date. Amortization is charged from the month in which asset is available for use while no depreciation is charged from the month in which an asset is disposed off.

3.3 Financial instruments

Financial assets and financial liabilities are recognized when the Modaraba becomes a party to the contractual provisions of the instrument and de-recognized when the Modaraba loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

3.3.1 Financial assets

The Modaraba classifies its financial assets in the following categories: at fair value through profit and loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Modaraba as at statement of financial position date are carried at amortized cost.

3.3.2 Initial measurement of financial asset

The Modaraba classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

3.3.3 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in the statement of profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.
Debt investments at FVTOCI	These assets are subsequently measured at fair value. Interest /markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income statement. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

Surplus / (Deficit) on re-measurement of FVTOCI investment is presented separately from equity in order to comply with the Modaraba Regulations, 2021.

3.3.4 Impairment of financial assets

The Modaraba recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The Modaraba measures loss allowance at an amount equal to lifetime ECLs or devised policy i.e. Prudential Regulations for Modarabas, whichever is higher.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Modaraba is exposed to credit risk.

At each reporting date, the Modaraba assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. 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.

3.3.5 Impairment of non-financial assets

The Modaraba assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit and loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss for other assets subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of impairment loss is recognized as income.

3.3.6 Financial liabilities

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

3.3.7 Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively.

The Modaraba's financial liabilities includes Creditors, accrued and other liabilities, unclaimed dividend, financings and accrued mark-up on financings.

These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

3.3.8 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, if the Modaraba has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.4 Stock in trade

Stock-in-trade is stated at the lower of cost determined by first in first out method and net realizable value. The cost includes costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price in the ordinary course of business less cost of completion and less cost to be incurred to make sale. Goods in transit are stated at invoice value plus other charges paid thereon till reporting date.

Provision is made for items considered slow moving and obsolete stock based on provision matrix duly approved by the Board of Directors.

3.5 Trade debtors and other receivables

Trade debtors and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts as per devised policy i.e. Prudential Regulations for Modarabas or using expected credit losses model (ECL) as required by IFRS 9, whichever is higher as at year end date. Balances considered bad and irrecoverable are written off when identified.

3.6 *Current and deferred income tax*

The tax expense for the year comprises current and deferred tax. Tax expense is recognized in statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case, the related tax expense is also recognized in other comprehensive income or directly in equity, respectively.

The Institute of Chartered Accountants of Pakistan has issued IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes and defined two approaches for bifurcation of tax between current and minimum taxes. The Modaraba has adopted an approach to account for current tax calculated on taxable profit using the notified tax rate as an income tax and minimum tax any amount over the current tax calculated on taxable income is accounted for as excess over the current tax and is recognized as levy as per IFRIC 21/IAS 37.

3.6.1 *Current*

The current income tax charge is based on the taxable profit for the year calculated on the basis of the tax laws enacted or substantively enacted at the reporting date, and any adjustment to tax payable / receivable in respect of previous years.

3.6.2 *Deferred*

Deferred tax is recognized using the balance sheet method, providing for all taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

3.6.3 *Levy*

Minimum tax, final tax and super-tax not based on taxable profits are recognized as a levy in the statement of profit or loss and other comprehensive income. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 over the amount designated as a levy is then recognized as current income tax expense in the statement of profit or loss and other comprehensive income.

3.7 *Cash and cash equivalent*

Cash and cash equivalents are carried in the statement of financial position at nominal value. For the purpose of statement of cash flows, cash and cash equivalents consist of balances with banks.

3.8 *Statutory reserve*

Regulation 13 of the Modaraba Regulations, 2021 issued by SECP vide S.R.O. 284 (I)/2021 dated March 05, 2021 required a Modaraba to transfer not less than 20% and not more than 50% of its after tax profits till such time the reserve equaled 100% of the paid up certificate capital. Thereafter, a sum not less than 5% and not more than 20% of the after tax profits was to be transferred. However, as per S.R.O. 1547(I)/2022 dated August 15, 2022, certain amendments have been made to the Modaraba Regulations, 2021 where such requirement has been made optional.

3.9 Musharaka financing

3.9.1 Running Musharaka

Modaraba enters into financing with facility providers based on Shirkat-ul-aqd (contractual partnership) in its' operating business. Under this mechanism, the Modaraba can withdraw and return funds to the facility provider subject to running Musharaka financing limit during the Musharaka period. The Modaraba pays the provisional profit which is subject to final settlement based on the actual results of the business / transaction.

3.9.2 Diminishing Musharaka

Diminishing Musharaka is a facility to finance the purchase of local manufactured brand new/used Commercial and Non Commercial vehicles. Under this mechanism, both the parties have joint ownership in asset and the Modaraba gradually purchase all share of ownership from bank.

3.9.3 Musawamah financing

Musawamah is an Islamic mode of finance. Under this transaction structure, the facility provider will provide funds to Modaraba against available goods and will appoint Modaraba as its agent for selling of goods in market. Modaraba will pay sale price to facility provider after receipts of sale proceeds.

3.10 Trade creditors and other payables

Liabilities for trade creditors and other payables are carried at fair value of the consideration to be paid in future for goods received and services obtained whether billed to the Modaraba or not.

3.11 Staff retirement benefits

(a) Defined benefit plan - Staff gratuity

The Modaraba operated an unfunded gratuity scheme for all its employees who had completed the minimum qualifying period of service as defined under the scheme. Modaraba's obligations under the scheme was determined on the basis of actuarial valuation. Most recent valuation was carried out by a qualified actuary in accordance with IAS 19 Employees Benefits on June 30, 2022 using the Projected Unit Credit Method.

With effect from June 30, 2022, the Board of Directors of the Modaraba in their meeting held on April 26, 2022 had decided to cease the Gratuity Scheme in operation. The defined benefit liability determined under the Actuarial Valuation Report dated July 20, 2022 for the year ended June 30, 2022 was deemed to be full and final liability of the Modaraba towards the employees concerned. It was further decided that such benefit will be paid at the time of retirement of the concerned employee.

(b) Defined contribution plan - Provident fund

The Modaraba operates an approved funded contributory provident fund scheme for all its employees who are eligible under the scheme. Equal monthly contributions at the rate of 8.33 percent of basic salary are made by both Modaraba and its employees.

3.12 Qard-e-Hasana

Qard-e-Hasana not carrying any markup and contracted between the Modaraba and its Management Company for short-term period is recognized in current liability as qard-e-hasana.

3.13 Provisions

Provisions are recognized when the Modaraba has a present, legal or constructive obligation as a result of past event, 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. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.14 Unclaimed profit distribution

Unclaimed profit distribution represents the amount payable to Modaraba certificate holders in respect of declared profits/dividends which remain outstanding due to non-encashment of dividend warrants, non-submission of requisite banking details, or any other reasons. These balances continue to represent the Modaraba's liability until settlement or expiry under applicable laws.

At the time of declaration of profit distribution, a liability is recognized in favor of certificate holders in the statement of financial position. The liability is initially measured at the amount approved by the Board of Directors of the Modaraba Management Company.

Subsequent to initial recognition, unclaimed profit distribution remains recorded at the original recognized amount. The liability is not remeasured, except to reflect any payments made to certificate holders.

3.15 Foreign currency transactions

Transactions in foreign currencies are translated into Pak Rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rate of exchange prevailing at the reporting date, while those covered under forward exchange contracts are valued at the contractual rates. Exchange gains and losses are included in statement of profit and loss account currently.

3.16 Short term leases

The Modaraba has short term leases of godown premises, as lessor can get these premises vacated by serving short notice. Payments associated with short-term leases of godown premises are recognized on a straight-line basis as an expense in statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

3.17 Revenue recognition

Revenue from sale of goods is measured at the fair value of the consideration received or receivable and represents amount receivable for goods provided in the normal course of business when control of asset is transferred.

For each sale transaction, purchase order forms a contract between the Modaraba and a customer and the goods to be delivered under that contract are the Modaraba's identified performance obligation, the contract contains determined and allocated transaction price. The Modaraba satisfies a single performance obligation on delivery of goods to the customer and recognizes the revenue.

The credit terms initially ordinarily ranges from 15 to 150 days.

The transaction price of the modaraba includes the agreed sale price with the customers in accordance with the IFRS-15.

3.18 Other income

Profit on Munafa account is recognized on accrual basis.

Gain/loss on disposal arising of fixed assets are included in income currently and are recognized on the date when the transaction takes places.

Liability no longer payable are written back and recognized as income in the period in which the obligation ceases.

3.19 Segment reporting

An operating segment is a component of the Modaraba that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Modaraba's other components, whose operating results are regularly reviewed by Modaraba`s chief operating officer to make decision about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Modaraba has only one segment at the reporting date.

3.20 Earning's per certificate

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

3.21 Contingencies

Contingencies are disclosed when the Modaraba has a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.22 Related party transactions

Transactions and contracts with the related parties are based on the policy that all transactions between the Modaraba and related parties are carried out at agreed terms as approved by the Board of Directors of management company.

FIRST IMROOZ MODARABA

4 *PROPERTY AND EQUIPMENT*	Note	**2025** **Rupees**	*2024* *Rupees*
Operating fixed assets	4.1 & 4.3	**15,072,279**	11,727,765

4.1 Operating fixed assets

Description	*Leasehold improvements*	*Furniture and fittings*	*Vehicle*	*Office equipment*	*Electrical appliances*	*Computer equipment*	*Motor vehicle on diminishing musharaka*	*Total*
				Rupees in '000'				
Year ended June 30, 2025								
Net carrying value basis								
Opening net book value	-	**210,453**	**5,971,783**	**746,157**	**291,270**	**3,017,702**	**1,490,400**	**11,727,765**
Additions	-	**78,120**	**6,850,000**	**771,200**	**8,000**	**1,061,008**	**2,740,500**	**11,508,828**
Deletions-NBV	-	-	**2,812,502**	**9,534**	-	**2**	-	**2,822,038**
Depreciation charge - note 4.2	-	**42,120**	**2,702,167**	**307,516**	**58,776**	**1,398,747**	**832,950**	**5,342,276**
Closing net book value	-	**246,453**	**7,307,114**	**1,200,307**	**240,494**	**2,679,961**	**3,397,950**	**15,072,279**
Gross carrying value basis								
Cost	**2,400,125**	**720,448**	**18,822,544**	**4,736,967**	**595,760**	**9,856,248**	**5,535,000**	**42,667,092**
Accumulated depreciation	**2,400,125**	**473,995**	**11,515,430**	**3,536,660**	**355,266**	**7,176,287**	**2,137,050**	**27,594,813**
Net book value	-	**246,453**	**7,307,114**	**1,200,307**	**240,494**	**2,679,961**	**3,397,950**	**15,072,279**
Year ended June 30, 2024								
Net carrying value basis								
Opening net book value	1	251,669	7,466,370	1,330,936	341,382	2,567,082	2,049,300	14,006,740
Additions	-	-	157,900	-	2	1,657,550	-	1,815,452
Deletions-NBV	-	31	42,850	419,437	-	65	-	462,383
Depreciation charge - note 4.2	1	41,185	1,609,637	165,342	50,114	1,206,865	558,900	3,632,044
Closing net book value	-	210,453	5,971,783	746,157	291,270	3,017,702	1,490,400	11,727,765
Gross carrying value basis								
Cost	2,400,125	642,328	20,100,919	4,108,767	587,760	8,837,940	2,794,500	39,472,339
Accumulated depreciation	2,400,125	431,875	14,129,136	3,362,610	296,490	5,820,238	1,304,100	27,744,574
Net book value	-	210,453	5,971,783	746,157	291,270	3,017,702	1,490,400	11,727,765
Depreciation rates (% per anum)	**10**	**10**	**20**	**20**	**10**	**25**	**20**	

4.2 Depreciation expense has been allocated to the operating expenses.

4.3 This includes fully depreciated assets having a gross carrying amount of Rs. 16,841,060 (2024: Rs. 21,008,172) that are still in use by the Modaraba.

	Note	2025 Rupees	2024 Rupees
5 INTANGIBLE ASSETS	5.1	**435,500**	877,600

5.1 Movement of Intangible assets

Particulars	Cost			Accumulated amortization			Carrying value as at June 30, 2025	Rate
	As at July 01, 2024	Additions during the year	As at June 30, 2024	As at July 01, 2025	Charge for the year	As at June 30, 2025		
	-Rupees-							
Licensed computer software	**3,429,266**	**-**	**3,429,266**	**3,067,133**	**248,800**	**3,315,933**	**113,333**	**25%**
Website Development Cost	**2,773,200**	**-**	**2,773,200**	**2,257,733**	**193,300**	**2,451,033**	**322,167**	**25%**
Total	**6,202,466**	**-**	**6,202,466**	**5,324,866**	**442,100**	**5,766,966**	**435,500**	

Particulars	Cost			Accumulated amortization			Carrying value as at June 30, 2024	Rate
	As at July 01, 2023	Additions during the year	As at June 30, 2024	As at July 01, 2023	Charge for the year	As at June 30, 2024		
	-Rupees-							
Licensed computer software	3,429,266	-	3,429,266	2,739,537	327,596	3,067,133	362,133	25%
Website Development Cost	2,773,200	-	2,773,200	2,064,433	193,300	2,257,733	515,467	25%
Total	6,202,466	-	6,202,466	4,803,970	520,896	5,324,866	877,600	

5.2 Amortization expense has been allocated to the operating expenses.

5.3 This includes fully amortized assets having a gross carrying amount of Rs. 4,749,266 (2024: Rs. 4,118,880) that are still in use by the Modaraba.

	Note	2025 Rupees	2024 Rupees
6 LONG TERM DEPOSITS			
- Security deposit	6.1	**902,702**	598,202

6.1 This includes amount of Rs. 691,500 (2024: 387,000 million) deposited with Bank AL Habib Limited for obtaining vehicles on Diminishing Musharaka financing.

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7 DEFERRED TAX	Note	2025 Rupees	2024 Rupees
Deferred tax	7.1	-	-

7.1 As per the guidelines issued by ICAP on application of IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes', no deferred tax is required to be booked as the Modaraba, based on the projections of taxable income, expected to be taxed under Minimum Tax u/s 148 of the Income Tax Ordinance, 2001 for the foreseeable future. Hence the Modaraba has not recorded any deferred tax asset or liability as at 30 June 2025.

8 STOCK IN TRADE	Note	2025 Rupees	2024 Rupees
Stock			
- In hand		**229,906,029**	190,872,453
- In bonded warehouse		**223,044,051**	125,823,426
		452,950,080	316,695,879
Less: Provision for slow moving and obsolete stock	8.1	**(2,280,602)**	(4,622,544)
		450,669,478	312,073,335

8.1 Provision for slow moving and obsolete stock

Balance at July 01		**4,622,544**	2,215,537
Provision made during the year	28	-	2,407,007
Reversal during the year	8.1.1 & 27	**(2,341,942)**	-
Balance as at June 30		**2,280,602**	4,622,544

8.1.1 The provision recorded in the prior year has been reversed during the current year, as the related stock has been sold during the year.

9 TRADE DEBTORS	Note	2025 Rupees	2024 Rupees
Unsecured			
- Considered good		**204,651,757**	205,683,131
- Considered doubtful as per			
- Prudential regulations		**4,020,704**	4,020,704
- Expected credit losses under IFRS-09		**8,234,043**	5,748,386
		12,254,747	9,769,090
		216,906,504	215,452,221
Less: Provision for expected credit losses	9.1	**(12,254,747)**	(9,769,090)
	9.2	**204,651,757**	205,683,131

9.1 *Provision for expected credit losses*

Opening provision		**9,769,090**	8,336,800
Provision made during the year	9.1.1	**2,485,657**	1,432,290
	9.2	**12,254,747**	9,769,090

9.1.1 Provisions are recognized based on the provision matrix approach, which has been approved by the Board of Directors of the Management Company.

9.2 *Ageing analysis*

	2025 ***Rupees***	*2024* *Rupees*
Not overdue	**55,603,859**	28,634,824
Past due 31-90 days	**94,253,404**	145,797,277
Past due 91-180 days	**52,849,797**	35,469,416
Past due 181-365 days	**10,178,740**	1,530,000
Past due 365 days	**4,020,704**	4,020,704
	216,906,504	215,452,221
Provision for expected credit losses	**(12,254,747)**	(9,769,090)
	204,651,757	205,683,131

10 *ADVANCES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS*

	Note	***2025*** ***Rupees***	*2024* *Rupees*
Considered good			
Advances			
- to suppliers		**2,520,971**	533,950
Other receivables			
- Customs duties		**127,953**	75,562
- EFU General Insurance		**370,967**	-
		498,920	75,562
Container deposits		**800,000**	500,000
Prepayments - insurance and expenses		**735,394**	1,202,737
		4,555,285	2,312,249

11 *BANK BALANCES*

- Current accounts		**1,961,980**	4,113,211
- Saving accounts	11.1	**588,481**	2,306,127
		2,550,461	6,419,338

11.1 This represents account maintained with Soneri Mustaqeem Islamic Banking and carries profit ranging from 7.25% to 8.93% (2024: 15% to 18%) per annum.

12 CERTIFICATE CAPITAL

12.1 Authorized certificate capital

2025	2024			2025	2024
Number of certificates			Note	Rupees	Rupees
10,000,000	10,000,000	Modaraba certificates of Rs. 10/- each		**100,000,000**	100,000,000

12.2 Issued, subscribed and paid-up certificate capital

3,000,000	3,000,000	Fully paid in cash Modaraba certificates of Rs. 10/- each.	12.3	**30,000,000**	30,000,000

12.3 The Modaraba Management Company - an associated company (related party) holds 600,000 certificates (2024: 600,000).

12.4 The Modaraba has only one class of certificate capital and each certificate carries equal rights.

13 STATUTORY RESERVE	Note	2025 Rupees	2024 Rupees
Balance as on July 01		**118,733,257**	118,733,257
Transferred during the year	13.1	-	-
	3.8	**118,733,257**	118,733,257

13.1 During the year, the Modaraba has transferred Nil% (2024: Nil%) of its after tax profits to statutory reserve.

14 UN-APPROPRIATED PROFIT	Note	2025 Rupees	2024 Rupees
Balance as on July 01		**73,124,705**	15,806,157
Profit distribution for the year	14.1	**(45,000,000)**	(15,000,000)
Profit for the current year		**95,446,087**	72,318,548
Transferred to statutory reserve	13	-	-
		123,570,792	73,124,705

14.1 As per Regulation 32 of the Modaraba Regulations, 2021 issued by SECP vide SRO 284(I)/2021 dated March 05, 2021, a Modaraba shall distribute 90% of its net annual profits, after appropriation to reserves, amongst its certificate holders. However, as per S.R.O. 1547(I)/2022 dated August 15, 2022, certain amendments had been made to the Modaraba Regulations, 2021 under which the requirement to distribute 90% of net annual profit had been made optional.

15 OBLIGATION UNDER DIMINISHING MUSHARAKA

	Note	2025 Rupees	2024 Rupees
- Bank Al Habib Limited			
- Secured			
Diminishing Musharaka		**3,150,398**	1,422,622
Less **:** Current portion of obligation under diminishing musharaka		**(1,573,486)**	(812,945)
	15.1 & 15.2	**1,576,912**	609,677

15.1 The Modaraba had obtained Diminishing Musharaka financing facility with a sanctioned limit of Rs. 10 million for the purchase of locally manufactured brand new / used commercial and non-commercial vehicles for Modaraba's / staff use. The facility carries profit at 1 year KIBOR plus 2.25% and is repayable within 3 to 5 years from the date of delivery of vehicle(s).

Musharaka financing facility registered specific hypothecation charge over vehicle(s) from Rs. 10 million, hire purchase agreement (HPA) marking over vehicle(s) in excise and taxation department acquired under Diminishing Musharaka arrangement and personal guarantees of directors of the Modaraba,

15.2 Diminishing Musharaka

	2025 Rupees	2024 Rupees
Opening	**1,422,622**	2,032,331
Paid during the year	**(1,012,724)**	(609,709)
Obtained during the year	**2,740,500**	-
	3,150,398	1,422,622
Less: Current portion of obligation under diminishing musharaka	**(1,573,486)**	(812,945)
	1,576,912	609,677
Minimum diminishing musharaka payment		
Upto one year	**1,930,061**	740,840
More than one year but not later than 5 years	**1,737,452**	878,595
	3,667,513	1,619,435
Financial charges		
Upto one year	**353,149**	131,163
More than one year but not later than 5 years	**163,966**	65,650
	517,115	196,813
Present value of minimum diminishing musharaka payment		
Upto one year	**1,576,912**	609,677
More than one year but not later than 5 years	**1,573,486**	812,945
	3,150,398	1,422,622

16 DEFINED BENEFIT PLAN - STAFF GRATUITY

	Note	2025 Rupees	2024 Rupees
- Defined benefit obligation	3.1	**6,719,947**	6,719,947

17 CREDITORS, ACCRUED AND OTHER LIABILITIES

Import bills payable	17.1	**166,938,775**	110,486,933
Creditors		**2,062,614**	1,255,387
Advances from customers	17.2	**-**	1,263,988
Accrued liabilities		**15,047,367**	7,203,266
Unclaimed profit distribution	3.14	**8,505,764**	9,874,863
Sales tax payable		**7,752,819**	201,444
Workers' Welfare Fund	17.3	**-**	15,490,654
Management fee payable to Modaraba Management Company	28.1	**-**	15,729,956
		200,307,339	161,506,491

17.1 This includes Rs. 70.246 million (2024: 57.257 million) payable to Imilink limited - an associated company (related party) against the purchase of finished goods in the ordinary course of business. The outstanding balance is unsecured.

17.2 Movement of Advances from customers	***2025 Rupees***	*2024 Rupees*
Balance at July 01	**1,263,988**	1,608,988
Received during the year	**8,451,049**	3,060,000
Transfer to sales during the year	**(9,715,037)**	(3,405,000)
Balance as at June 30	**-**	1,263,988

17.3 The Modaraba, being a trans-provincial entity engaged solely in trading and commercial import of chemicals, obtained legal opinion from an independent legal advisor regarding the applicability of the Sindh Workers' Welfare Fund ("SWWF") on the Modaraba. The Honourable Sindh High Court, in CP No. D-2869 of 2017 and connected matters (judgment dated 21 January 2025), has held that in the case of trans-provincial entities, the mandate for levy and collection of Workers' Welfare Fund rests with the Federation until a mutually agreed mechanism between the Federation and the Provinces is developed.

Management believes that:

The Sindh Revenue Board has no legal authority to levy and/or collect WWF from the Modaraba.

The Modaraba is governed under the Federal Workers' Welfare Fund Ordinance, 1971, which applies only to industrial undertakings engaged in manufacturing activity. Since the Modaraba is not engaged in any manufacturing activity, therefore, no liability arises thereunder.

Any amount previously carried as SWWF / WWF cannot be regarded as a binding liability and may only be disclosed as a disputed demand.

It is also pertinent to mention that the Supreme Court of Pakistan, vide its order dated 10 November 2016, declared that the amendments made through the Finance Act, 2008 for levy of WWF were unlawful. Although review petitions have been filed by the Federal Board of Revenue, management believes there are rare chances that the Supreme Court will change its decision in review.

In accordance with the above legal position, and after considering both the Sindh High Court judgment and the Supreme Court decision, the management has reversed the cumulative provision of Rs. 15.491 million previously recognized and has not recorded any provision for the current year in respect of SWWF / WWF. Any reference to SWWF shall only be made in the context of a disputed demand under protest, pending final adjudication.

	Note	2025 Rupees	2024 Rupees
18 RUNNING MUSHARAKA			
- Bank Al Habib Limited			
- Secured			
Running Musharaka	18.1 & 22.2.3	**29,785,817**	2,664,069

18.1 The Modaraba has availed Running Musharaka Financing facility with a total available limit of Rs. 30 million (2024: Rs. 30 million) out of which Rs. 0.214 million (2024: Rs. 27.336 million) is unavailed. This facility has been obtained to finance working capital requirements of the Modaraba and carries profit at 3 months KIBOR plus 1.5%.

	Note	2025 Rupees	2024 Rupees
19 MUSAWAMAH FINANCE			
- Bank Al Habib Limited			
- Secured			
Musawamah finance	19.1 & 22.2.3	**160,000,000**	140,000,000

19.1 The Modaraba has availed Musawamah financing facility with a total available limit of Rs. 220 million (2024: 230 million) out of which Rs. 60 million (2024: Rs. 90 million) is unavailed. This facility has been obtained to finance sale of inventory owned by the Modaraba. The facility carries profit at 3 months KIBOR plus 1.5%.

	Note	2025 Rupees	2024 Rupees
20 QARD-E-HASANA FROM MODARABA MANAGEMENT COMPANY			
- Secured			
Qard-e-Hasana	20.1	**3,000,000**	-

20.1 This represents an interest-free loan obtained for working capital requirements from the Modaraba Management Company, namely A R Management Services (Private) Limited - an associated company (related party). The loan does not qualify as a "subordinated fund" to classify as equity in accordance with the requirements of the Modaraba Regulations, 2021. Accordingly, it has been classified as a financial liability in these financial statements.

21 ACCRUED PROFIT ON FINANCE FACILITIES	Note	2025 Rupees	2024 Rupees
Accrued profit on finance facilities			
- Running Musharaka	18.1	**198,371**	104,199
- Salam charges		**-**	127,605
- Musawamah Finance	19.1	**3,371,541**	5,288,725
		3,569,912	5,520,529

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

The Deputy Commissioner (DC), Unit 37 of the Sindh Revenue Board (SRB) issued Show Cause Notices (SCNs) in October 2023, relating to the tax period ended June 2016 to June 2022 for recovery of Sindh Workers Welfare Fund (SWWF).

The Modaraba has filed its responses to the said SCNs taking plea that the Modaraba is not engaged in any kind of activity whatsoever related to banking or financing, since its inception. It is engaged in the business of commercial imports of specialty chemicals. Therefore, provisions of SWWF are not applicable on the Modaraba.

However, the DC of SRB passed seven orders in November 2023, and in January 2024, creating aggregate demand of Rs.26,087,353/-, which includes Penalties at Rs.778,000/- and default surcharge at Rs.9,749,348/-.

The Modaraba has filed appeals before the Commissioner Appeals, SRB, Karachi where the matter is pending. The SRB Tribunal has been pleased to grant stay of disputed demand, subject to the payment of Rs.1,500,000. The Modaraba has paid a sum of Rs. 1,500,000 . The advisor of the Modaraba is hopeful of positive outcome.

22.2 Commitments

22.2.1 Post dated cheques to Collector of Customs amounting to Rs. 113.162 million (2024: Rs. 87.152 million) on account of custom dues and taxes on goods at bonded warehouse.

22.2.2 Letter of Credit - Usance (foreign)	Note	2025 Rupees	2024 Rupees
Available	22.2.3	**125,000,000**	20,000,000
Unavailed		**125,000,000**	20,000,000

22.2.3 These facilities are secured against:

a) Registered Hypothecation charge over current assets, including stocks & book debts, of the company Rs.334 million including 25% margin. [Charge of Rs.400 million already held]

b) Import documents consigned to the order of Bank AL Habib.

c) Bank’s control over accepted drafts / Bill of Exchange.

d) Token Registered Mortgage of Rs.100,000/- and Equitable Mortgage over Beaumont Plaza, Office #408 & #409, 4th Floor, situated at Survey No.6, Sheet CL-10, Beaumont Road, Civil Lines Quarters, Karachi. [Property in the name of director Mr. Ameed Riaz]

e) Supplemental MODTDs executed on the following properties mortgaged in the favour of the bank by the other group companies (Related parties) coverage of aggregate exposure under Equitable Mortgage.

i) Plot # 2/19, Sector 21, Korangi Industrial Area, Karachi ensuring 4,846.72 Sq. yards in the name of Mr. Ateed Riaz.

ii) Office #405, #412 and #413, 4th Floor, situated at Survey No.6, Sheet CL-10, Beaumont Road, Civil Lines Quarters, Beaumont Plaza, Karachi. [Property in the name of associated undertaking M/s Ashraf Riaz (Pvt.) Limited]

iii) Office #410 and #411, 4th Floor, situated at Survey No.6, Sheet CL-10, Beaumont Road, Civil Lines Quarters, Beaumont Plaza, Karachi. [Property in the name of director Mr. Naveed Riaz]

iv) Plot #125-S, #102-S & #103-S, located at Small Industrial Area, Kot Lakhpat, Lahore, admeasuring 6 Kanal and 12 Marla, 90 square feet. [Property in the name of associated undertaking M/s Ashraf Riaz Knitwear Limited]

v) C-28, SITE. Karachi [Property in the name of associated undertaking M/s EMI (Pakistan) Limited].

f) Corporate Guarantee of associated undertaking M/s Ashraf Riaz (Pvt.) Limited, covering aggregate Exposure.

g) Personal Guarantees of the directors of the company (Mr. Naveed Riaz and Mr. Ameed Riaz), each covering aggregate exposure.

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23 SALES

	Note	2025 Rupees	2024 Rupees
Sales - net	23.1	**1,247,436,532**	1,260,138,291

23.1 Sales tax of Rs. 237.629 million (2024 : Rs.244.267 million) has been charged and deposited on these sales.

24 COST OF SALES

	Note	2025 Rupees	2024 Rupees
Opening stock at July 01	8	**190,872,453**	273,830,793
Purchases		**996,552,033**	909,118,942
Closing stock at June 30	8	**(229,906,029)**	(190,872,453)
		957,518,457	992,077,282

25 OPERATING EXPENSES

	Note	2025 Rupees	2024 Rupees
Salaries and other staff benefits	32	**72,385,772**	36,927,934
Provident fund contribution	25.1	**2,086,207**	859,169
Rent, rates and taxes	38	**6,081,144**	5,951,768
Travelling and conveyance		**19,360,845**	946,010
Depreciation	4.2	**5,342,276**	3,879,030
Amortization	5.2	**442,100**	520,896
Cartage		**3,375,792**	2,904,370
Vehicles running and maintenance		**5,697,596**	4,287,175
Insurance		**1,956,762**	2,871,332
Legal and professional		**7,549,750**	7,443,083
Security charges		**1,848,564**	1,625,560
Fees and subscriptions		**1,593,438**	1,169,211
Repairs and maintenance		**3,137,469**	270,816
Postage and telephone		**1,232,564**	477,582
Software expenses		**452,179**	383,089
Auditors' remuneration	25.2	**720,568**	724,125
Electricity		**773,206**	1,812,159
Sample and business gifts		**1,822,189**	803,294
Entertainment		**1,302,795**	682,868
Printing and stationery		**208,429**	71,845
Cleaning and washing		**696,361**	413,236
Newspaper advertisement		**24,500**	24,500
		138,090,506	75,049,052

25.1 This amount represents contributions made in respect of the provident fund (defined contribution plan) by the employer as disclosed in note 3.11.

25.2 Auditors' remuneration	***Note***	***2025 Rupees***	*2024 Rupees*
Annual audit		**439,230**	439,230
Half yearly review		**109,808**	109,808
Review of code of corporate governance		**19,965**	19,965
CDC certification		**19,965**	19,965
Annual free float certificate		**19,965**	19,965
Out of pocket expenses		**58,260**	61,553
		667,193	670,486
Sindh sales tax on services		**53,375**	53,639
		720,568	724,125

26 FINANCIAL CHARGES

Diminishing Musharaka charges	15.1	**459,575**	379,737
Murabaha Finance charges	26.1	**398,466**	-
Running Musharaka charges	18.1	**828,527**	2,099,928
Musawamah charges	19.1	**23,914,325**	31,655,233
Bank charges		**525,062**	666,665
		26,125,955	34,801,563

26.1 This represents the finance charge on the Murabaha facility obtained and repaid during the year. The facility was availed to finance retirement of imports documents of the Modaraba and carries profit at 3-month KIBOR plus 1.5%.

27 OTHER INCOME	***Note***	***2025 Rupees***	*2024 Rupees*
- Income from financial assets			
Return on munafa account	11.1	**1,067,842**	451,853
Reversal of Salam finance charges		**127,605**	-
		1,195,447	451,853
- Income from non-financial assets			
Gain on disposal of property and equipment		**4,817,962**	69,603
Liability written back	17.3	**15,490,654**	-
		20,308,616	69,603
		21,504,063	521,456

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28 OTHER EXPENSES

	Note	2025	2024
Provision for Workers' Welfare Fund		-	2,831,392
Modaraba Management Company's fee	28.1	-	15,729,956
		-	18,561,348

28.1 The Modaraba Management Company (MMC) is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 up to a maximum of 10% per annum of the net annual profits of the Modaraba. The regulation prescribes only the maximum limit and does not mandate such fee each year.

29 MINIMUM TAX DIFFERENTIAL

	Note	2025 Rupees	2024 Rupees
Income tax levies under IFRIC 21/IAS 37	3.6 & 29.1	**49,273,933**	66,419,664

29.1 This represents portion of minimum tax paid under section 148 of Income Tax Ordinance, 2001, representing levy in terms of requirement of IFRIC21/IAS 37.

29.2 This includes Rs. 208,934 being tax deducted on profit on debt, vehicle and utilities.

30 TAXATION

	Note	2025 Rupees	2024 Rupees
Current tax for the year	30.1	-	-

30.1 Reconciliation of current tax charge as per tax laws for the year, with current tax recognized in profit or loss account is as follows:

	Note	2025 Rupees	2024 Rupees
Income tax under IAS 12		-	-
Income tax levy under IFRIC 21/IAS 37	29.1	**49,273,933**	66,419,664
Current tax liability as per Income Tax Ordinance		**49,273,933**	66,419,664

30.2 The relationship between income tax expense and accounting profit has not been presented in these financial statements as the Modaraba is subject to minimum tax under Section 148 of the Income Tax Ordinance, 2001, under the Final Tax Regime (FTR).

30.3 Approach 1 – Excess is IAS 12 tax

	2025	2024
Profit before minimum tax	**126,644,779**	138,738,212
Minimum Tax	**(49,273,933)**	(66,419,664)
Profit before income tax	**77,370,846**	72,318,548
Income tax	**-**	-
Profit after tax	**77,370,846**	72,318,548
Effective tax rate	**0%**	0%

31 EARNINGS PER CERTIFICATE - BASIC AND DILUTED

Basic earnings per share

	2025	2024
Net Profit for the year (Rupees)	**95,446,087**	72,318,548
Number of Modaraba certificates	**3,000,000**	3,000,000
Earnings per certificate (Rupees)	**31.82**	24.11

Diluted earnings per share

No figure for diluted earning per certificate has been presented as the Modaraba has not issued any instrument which would have a dilutive impact on basic earning per certificate when exercised.

32 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements are as follows:

	2025			2024		
	Chief Executive Officer	**Directors**	**Executives**	*Chief Executive Officer*	*Directors*	*Executives*
Managerial Remunerations	-	-	**27,104,624**	-	-	18,080,836
Bonus	-	-	**8,012,650**	-	-	701,894
Staff Retirement Benefits	-	-	**1,203,550**	-	-	165,972
Medical	-	-	**526,191**	-	-	92,147
Utilities	-	-	**2,174,068**	-	-	-
Number of person (s)	**1**	**4**	**8**	1	4	5

32.1 Some of the executives have been provided with vehicles maintained by the Modaraba.

32.2 No remuneration and meeting fees were paid to the directors of the Modaraba Management Company by Modaraba and no perquisites or other benefits were provided to them during the year.

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33 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	2025 Rupees	2024 Rupees
Financial Instrument by Category			
Financial assets at amortized cost			
Long term deposits	6	**211,202**	211,202
Trade debtors - Gross	9	**216,906,504**	215,452,221
Other receivables and deposits	10	**1,298,920**	575,562
Bank Balances	11	**2,550,461**	6,419,338
		220,967,087	222,658,323
Financial liabilities at amortized cost			
Obligation under diminishing musharaka	15	**3,150,398**	1,422,622
Creditors, accrued and other liabilities	17	**192,554,520**	144,550,405
Running Musharaka	18	**29,785,817**	2,664,069
Musawamah finance	19	**160,000,000**	140,000,000
Qard-e-Hasana from Modaraba Management Company	20	**3,000,000**	-
Accrued profit on finance facilities	21	**3,569,912**	5,520,529
		392,060,647	294,157,625

34 FINANCIAL RISK MANAGEMENT

34.1 The Modaraba's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

34.1.1 Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: profit rate risk, currency risk and other price risk, such as equity risk.

a) Profit rate risk management

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. Majority of profit bearing financial instruments are reset within three months to one year prevailing KIBOR thereby limiting exposure in this respect.

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The Modaraba has no significant profit-bearing assets apart from following:

Variable rate instrument	Note	2025 Rupees	2024 Rupees
Financial assets			
Banks balance at saving accounts	11	**588,481**	2,306,127
Financial liabilities			
Obligation under diminishing musharaka	15	**3,150,398**	1,422,622
Running Musharaka	18	**29,785,817**	2,664,069
Musawamah financing	19	**160,000,000**	140,000,000
		192,936,215	144,086,691

There are no fixed rate instruments as at reporting date.

Sensitivity analysis

The table below summarizes the impact of increase/decrease in market value of investments on the Modaraba's profit after tax and on equity. The analysis is based on the assumption that the market price had increased/decreased by 5% with all other variables held constant and all Modaraba's equity instruments moved on perfect correlation with the market.

	2025 Rupees	2024 Rupees
Increase in market value -5%	**9,617,387**	(7,089,028)
Decrease in market value -5%	**(9,617,387)**	7,089,028

b) Foreign exchange risk management

Foreign 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. The Modaraba's exposure to the risk of changes in foreign exchange rates relates primarily to the Modaraba's operating activities. As at reporting date, the Company's foreign currency risk exposure is as follows;

	Note	2025 Rupees	2024 Rupees
Financial liabilities			
Import bills payable	17	**166,938,775**	110,486,933

The following significant exchange rates have been applied at the reporting dates:

	2025	2024
PKR/GBP	**389.65**	352.30
PKR/USD	**284.10**	279.10
PKR/EURO	**332.83**	298.30

	Increase / decrease in foreign exchange rate	Effect on profit before tax
	(%)	(Rupees)
Sensitivity analysis		
As at June 30, 2025	**+2**	**3,338,776**
	-2	**(3,338,776)**
As at June 30, 2024	+2	2,209,739
	-2	(2,209,739)

c) Equity price risk management

Since there is no equity investment, therefore, the Modaraba is not exposed to any equity price risk.

34.1.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter party to the financial instrument fails to perform as contracted. Total financial assets of Rs. 220.97 million (2024: Rs. 222.66 million) are subject to credit risk.

a) Credit risk related to trade debtors

The Modaraba has 6 (2024: 7) major customers that owed the Modaraba Rs. 155.626 million (2024: 169.784 million) and accounted for approximately 71.32% (2024: 78.80%) of all trade debtors. The Modaraba does not hold collateral as security against any trade debtors.

The Modaraba has adopted a policy of transacting only with creditworthy counterparties. The Modaraba's exposure and the credit ratings of its counterparties are continuously monitored. The Modaraba does not have any significant concentration of credit risk towards a single counterparty or a group of counterparties having similar characteristics, except for customers against whom provision for expected credit losses (ECLs), determined using the provision matrix, is recognized on trade debtors measured at amortized cost.

The provision for the year amounting to Rs. 2.486 million (2024: Rs. 1.432) has been recongnized in these financial statements.

To mitigate credit risk exposure, the Modaraba has developed its own risk management policies and guidelines under which the credit quality of individual clients is assessed and approved credit limits are assigned. Management continuously monitors credit exposure to customers and records provisions against those balances that are considered doubtful of recovery.

b) Credit risk related to bank balances

Credit risk from balances with banks is managed by finance department in accordance with the Modaraba's policy. The analysis below summarizes the credit quality of the Modaraba's bank balances.

Banks	Short term	Long term	Note	2025 Rupees	2024 Rupees
- Bank Alfalah Limited	A1+	AAA		**350,655**	2,651,552
- Soneri Bank Limited	A1+	AA-		**1,886,365**	3,488,556
- Bank AL Habib Limited	A1+	AAA		**5,640**	86,880
- Meezan Bank Limited	A1+	AAA		**117,800**	-
- Faysal Bank Limited	A1+	AA		**190,000**	192,350
			11	**2,550,461**	6,419,338

c) Other financial assets

These comprise deposits and other receivables from various suppliers and customers. The management has assessed the credit risk associated with these financial assets as low, based on the absence of any history of credit defaults.

34.1.3 Liquidity risk management

Liquidity risk reflects the Modaraba's inability in raising funds to meet commitments. Management closely monitors the Modaraba's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

The following tables detail the Modaraba's remaining contractual maturity for its non-derivative financial liabilities. The table below summarizes the maturity profile of the Modaraba Company's financial liabilities based on contractual undiscounted payments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Carrying values	Contractual cash flows	Upto l year	1 to 3 years	More than 3 years
	Rupees in '000'				
Obligation under diminishing musharaka	**3,150,398**	**3,150,398**	**1,573,486**	**1,576,912**	-
Creditors, accrued and other liabilities	**192,554,520**	**192,554,520**	**192,554,520**	-	-
Running Musharaka	**29,785,817**	**29,785,817**	**29,785,817**	-	-
Musawamah finance	**160,000,000**	**160,000,000**	**160,000,000**	-	-
Qard-e-Hasana from Modaraba Management Company	**3,000,000**	**3,000,000**	**3,000,000**	-	-
Accrued profit on finance facilities	**3,569,912**	**3,569,912.00**	**3,569,912.00**	-	-
2025	**392,060,647**	**392,060,647**	**390,483,735**	**1,576,912**	-
Obligation under diminishing musharaka	1,422,622	1,422,622	812,945	609,677	-
Creditors, accrued and other liabilities	144,550,405	144,550,405	144,550,405	-	-
Running Musharaka	2,664,069	2,664,069	2,664,069	-	-
Musawamah finance	140,000,000	140,000,000	140,000,000	-	-
Accrued profit on finance facilities	5,520,529	-	-	-	-
2024	294,157,625	288,637,096	288,027,419	609,677	-

Effective interest rates for the financial liabilities are mentioned in the respective notes to the financial statements.

FIRST IMROOZ MODARABA

35 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below states changes in the Modaraba's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Modaraba's cash flows as cash flow statement from financing activities.

	July 01, 2024	***Financing cash inflows***	***Financing cash outflows***	***Non Cash changes***	***June 30, 2025***
	Rupees				
Obligation under diminishing musharaka	**1,422,622**	**-**	**(1,012,724)**	**2,740,500**	**3,150,398**
Running Musharaka	**2,664,069**	**1,750,506,973**	**(1,723,385,225)**	**-**	**29,785,817**
Musawamah finance	**140,000,000**	**485,000,000**	**(465,000,000)**	**-**	**160,000,000**
Murabaha finance	**-**	**9,000,000**	**(9,000,000)**	**-**	**-**
Qard-e-Hasana from Modaraba Management Company	**-**	**99,000,000**	**(96,000,000)**	**-**	**3,000,000**
Unclaimed profit distribution	**9,874,863**	**-**	**(46,369,099)**	**45,000,000**	**8,505,764**

	July 01, 2023	*Financing cash inflows*	*Financing cash outflows*	*Non Cash changes*	*June 30, 2024*
	Rupees				
Obligation under diminishing musharaka	2,032,331	-	(609,709)	-	1,422,622
Running Musharaka	-	1,821,671,890	(1,819,007,821)	-	2,664,069
Musawamah finance	140,000,000	485,000,000	(485,000,000)	-	140,000,000
Qard-e-Hasana from Modaraba Management Company	-	243,500,000	(243,500,000)	-	-
Unclaimed profit distribution	9,665,562	-	(14,790,699)	15,000,000	9,874,863

36 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 returns for certificate holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of profit distributed to certificate holders, issue new certificates or sell assets to reduce debt.

The Modaraba's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Modaraba monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as obligations under financing facilities (short term and long term) less cash and bank balances.

The gearing ratio of the Modaraba at year end is as follows:	***Note***	***2025 Rupees***	*2024 Rupees*
Obligation under diminishing musharaka	15	**3,150,398**	1,422,622
Running Musharaka	18	**29,785,817**	2,664,069
Musawamah finance	19	**160,000,000**	140,000,000
Qard-e-Hasana from Modaraba Management Company	20	**3,000,000**	-

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		2025	2024
Accrued profit on finance facilities		**3,569,912**	5,520,529
Total debt		**199,506,127**	149,607,220
Bank Balances	11	**(2,550,461)**	(6,419,338)
Net debt		**196,955,666**	143,187,882
Equity		**272,304,049**	221,857,962
Gearing Ratio (%)		# #	65%

37 FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

As at year ended June 30, 2025, the Modaraba does not hold any financial asset or liability measured at fair value. Further, carrying value of all financial assets and liabilities reflected in financial statements approximate their fair value.

38 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties of the Modaraba include the management company, associated companies/ undertakings, retirement benefit plan, directors of the management company and other key management personnel. Amounts due to / from related parties are shown under respective notes to these financial statements. Detail of transactions with related parties (other than those which have been disclosed elsewhere in these financial statements) are as follow:

Company	***Basis of association***	***Aggregate percentage of certificate in Modaraba***
A R Management Services (Private) Limited	Modaraba Management Company	20%

Group companies :

- Ashraf Riaz (Private) Limited	Common directorship	-
- Ashraf Riaz Knitwear Limited	Common directorship	-
- Atherton & Imrooz	Common directorship	-
- EMI (Pakistan) Limited	Common directorship	-
- Imlink Limited*	Common directorship	-

*The registered office of the company associated company is P.O. Box 7762, A 3-5, SAIF Zone, Sharjah, UAE and also incorporated and domiciled in UAE.

Relationship with the Modaraba	***Nature of transactions***	***Note***	***2025 Rupees***	*2024 Rupees*
Management Company				
A R Management Services (Private) Limited	Dividend paid to Modaraba Management Company		**9,000,000**	3,300,000
	Modaraba Management Company's fees	17	**-**	15,729,956
	Modaraba Management Company's fees paid	17	**15,729,956**	-
	Receipt of Qard-e-Hasana	20	**99,000,000**	336,500,000
	Repayment of Qard-e-Hasana	20	**96,000,000**	391,500,000
Associated companies / Related parties				
Group companies	Share of common expenses		**3,154,596**	2,702,627
Imlink Limited	Purchases of finished goods	17.1	**335,538,682**	337,909,596
	Payment against purchases	17.1	**322,549,390**	286,065,085
Ashraf Riaz (Private) Limited	Principal office rent		**-**	309,000
EMI (Pakistan) Limited	Karachi warehouse rent charge and paid	25	**3,213,600**	3,213,600
Ashraf Riaz Knitwear Limited	Lahore warehouse rent charge and paid	25	**2,700,000**	2,700,000
Associated undertaking				
The Imrooz Employee Provident Fund	Contribution to staff provident fund during the year		**4,172,414**	1,718,338
Directors of management company / Key Management Personnel				
Directors of Modaraba Management Company	Dividend paid		**3,989,000**	4,387,900

39 *SHARIA COMPLIANCE ACTIVITES AND BALANCES*

As per the requirements of the fourth schedule to the Companies Act, 2017, Companies engaged in the Shariah permissible business activities as their core business activities shall disclose the following:

	Note	2025 Rupees	2024 Rupees
Statement of Financial Position - Liability Side			
Diminishing Musharaka as per Islamic mode	15	**3,150,398**	1,422,622
Running Musharaka as per Islamic mode	18	**29,785,817**	2,664,069
Musawamah finance as per Islamic mode	19	**160,000,000**	140,000,000
Qard-e-Hasana from Modaraba Management Company	20	**3,000,000**	-
Accrued profit on finance facilities as per Islamic mode	21	**3,569,912**	5,520,529
Statement of Financial Position - Asset Side			
Lease deposit against Diminishing Musharaka	6.1	**691,500**	387,000
Shariah compliant bank balances	11	**2,550,461**	6,419,338
Statement of profit or loss			
Sales earned from Shariah compliant business	23	**1,247,436,532**	1,260,138,291
- Shariah Compliant			
Breakup of Other income			-
Return on munafa account	11.1	**1,067,842**	451,853
Reversal of Salam finance charges		**127,605**	-
Gain on disposal of property and equipment	27	**4,817,962**	69,603

The Company maintains bank accounts with Bank Alfalah Limited, Soneri Bank Limited, Bank AL Habib Limited, Meezan Bank Limited and Faysal Bank Limited.

40 NUMBER OF EMPLOYEES

	2025	2024
Total employees of the Modaraba at the year end	**25**	19
Average employees of the Modaraba during the year	**24**	20

41 NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors of the Modaraba Management Company in its meeting held on 29-September-2025 approved a final profit distribution of Rs. 15 per certificate, amounting to Rs. 45,000,000 for the year ended June 30, 2025.

42 CORRESPONDING FIGURES

Corresponding figures have been reclassified, whenever necessary for the purpose of compliance, comparison and better presentation. Major reclassifications during the year are as follows;

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Reclassification from the caption component	*Reclassification to the caption component*	*Note*	*Rupees*
Advances, other receivables, deposits and prepayments	***Advances, other receivables, deposits and prepayments***		
Advance	Other receivables	10	**75,562**
Current Liablity	***Non-Current Liablity***		
Defined benefit plan - Staff gratuity	Defined benefit plan - Staff gratuity	16	**6,719,947**
Creditors, accrued and other liabilities	***Current Liablity***		
Accrued liabilities	Accrued profit on finance facilities	17	**5,520,529**
Obligation under diminishing musharaka	***Current Liablity***		
Musawamah finance	Musawamah finance	19	**140,000,000**
Operating expenses	***Operating expenses***		
Others (Staff Training)	Salaries and other staff benefits	25	**393,500**
Operating expenses	***Operating expenses***		
Others	Software expenses	25	**383,089**
Operating expenses	***Financial charges***		
Bank charges	Bank charges	25	**666,665**
Modaraba Management Company's Fee	***Other Expenses***		
Modaraba Management Company's fee	Modaraba Management Company's fee	28	**15,729,956**
Provision for Sindh Workers' Welfare Fund	***Other Expenses***		
Provision for Sindh Workers' Welfare Fund	Provision for Sindh Workers' Welfare Fund	28	**2,831,392**

43 GENERAL

43.1 Amounts have been presented and rounded off to the nearest Rupee.

43.2 The Modaraba has set up provident fund for it's permanent employees and the contributions are made by the Modaraba to the fund.. The audited financial statements of the provident fund for the year ended June 30, 2025 is in progress. However, the net assets of the provident fund based on the audited financial statements as at June 30, 2024 amounted to Rs. 123.568 million out of which 80.21% was invested in different financial instruments categories while 0.87% as deposit with banks. The fair value as at June 30, 2024 of investments of the provident fund amounted to Rs. 104.329 million.

The investments of the Provident Fund have been made in accordance with the requirements of Section 218 of the Companies Act, 2017. However, as at June 30, 2024, the investments by the Provident Fund Trust in debt collective investment scheme (mutual fund) managed by a single asset management company constitute 67.11% of the total size of fund, which is in contrast to the requirements of the Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018.

44 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors of the Modaraba Management Company and authorized for issue on 29-September-2025.

For A R Management Services (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE **DIRECTOR** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

FIRST IMROOZ MODARABA

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

First Imrooz Modaraba (the Modaraba) managed by A R Management Services (Private) Limited (the Management Company)

For the Year ended June 30, 2025

The Management Company has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are 5* as per the following:
   a. Male: 4 (Four)
   b. Female**: 1 (One)

   * The requirement of minimum 7 directors and 1/3 or 2 whichever is higher independent director, does not apply to Modaraba Management Company being Private Limited Company.

   ** As at the reporting date, the position of female director on the Board stands vacant due to the sad demise of Mrs. Saadat Ikram on April 15, 2025. The process of filling this casual vacancy is in progress as it is subject to approval by the Securities and Exchange Commission of Pakistan (SECP).

2. The composition of board is as follows:

Category	Names
A) Executive Directors*	Mr. Naveed Riaz Mr. Ameed Riaz
B) Non-Executive Directors	Mr. Omar Mohammad Khan Mrs. Saadat Ikram (Late)
C) Independent Director	Mr. Aliuddin Ahmed
D) Female Director	Mrs. Saadat Ikram (Late)

   * In accordance with the requirement of maintaining one-third executive representation on the Board, the calculated fraction of 1.66 has been rounded up to 2. This adjustment is necessary to fulfill the governance requirement for operating the business.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Management Company.

4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management 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 Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by 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 board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. All the directors of the Management Company have minimum of 14 years of education and over 15 years of experience on the board of a listed Management Company and therefore are exempted from director's training program.

10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary, and Head of Internal Audit, along with their remuneration and terms of employment, in compliance with the applicable regulatory requirements. At the year-end, the Chief Financial Officer retired, and the Board appointed a new CFO on July 1, 2025.

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

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

Committee	**Name of members and Chairman**
a) Audit Committee	Chairman : Mr. Aliuddin Ahmed Member : Mrs. Saadat Ikram (Late) Member : Mr. Omar Mohammad Khan
b) HR and Remuneration Committee	Chairman : Mr. Aliuddin Ahmed Member : Mr. Omar Mohammad Khan Member : Mrs. Saadat Ikram (Late) Member : Mr. Ameed Riaz

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

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

Committee	**Frequency of meetings**
a) Audit Committee	Four quarterly meetings during the financial year ended June 30, 2025
b) HR and Remuneration Committee	One meeting held during the year

15. The board has set up an effective internal audit function and its members are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.

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 their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and 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, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36:

S. No.	Paragraph reference	Description	Explanation
1	10 A (1) - 10 A (6)	The board is tasked with overseeing sustainability risks and opportunities, incorporating environmental, social, and governance (ESG) factors into the Modaraba's long-term strategies to enhance corporate value. They are encouraged to adopt SECP's ESG Disclosure Guidelines and ensure the implementation of diversity, equity, and inclusion (DE&I) policies to promote gender equality and representation at all levels. The board must actively identify and address both current and emerging sustainability risks, including climate-related ones, evaluating their potential impacts and developing management strategies. Additionally, they are responsible for regularly reviewing and monitoring the company's sustainability and DE&I goals and performance. To fulfill these duties effectively, the board may establish a dedicated sustainability committee, which must include at least one female director, or expand the role of an existing committee to oversee	Although the Modaraba is mainly engaged in trading business and has little or no environmental impact, However, the Modaraba will ensure relevant compliances for specific regulations in ensuing years.

S. No.	Paragraph reference	Description	Explanation
		sustainability-related risks, ensure compliance with relevant laws, and report annually on how sustainability principles are integrated into the organization. Lastly, the directors' report should detail the assessment of sustainability risks, management strategies, and DE&I initiatives within the company.	

Mr. Omar Mohammad Khan
Chairman
Karachi: September 29, 2025

FIRST IMROOZ MODARABA

GENDER PAY GAP STATEMENT UNDER SECP CIRCULAR NO. 10 OF 2024

Following is gender pay gap calculated for the year ended June 30, 2025:

(i) Mean Gender Pay Gap: 23%

(ii) Median Gender Pay Gap: -16%

For and on behalf of the Board

Ameed Riaz

Ameed Riaz
Director

FIRST IMROOZ MODARABA KARACHI

Date: 24th September 2025

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REANDA

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE CERTIFICATE HOLDERS OF FIRST IMROOZ MODARABA ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE 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 AR Management Services (Private) Limited (the Modaraba Management Company) for and on behalf of **First Imrooz Modaraba** (the Modaraba) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Modaraba Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Modaraba 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 Management Company 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, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2025.

RHZASRCo Reanda Haroon Zakaria Aamir Salman Rizwan & Co

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: 30 SEP 2025
UDIN: CR202510086ZMEWw6oG2

Engagement Partner
Muhammad Iqbal

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants
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Mufti Abdul Qadir
Shariah Advisor

Shahadatu Tahfeez-ul-Quran
Shahadat-ul-Aalamiyyah
Shahadat-ul-Takhassus fil Figh wal Ifta

MA (Islamic Studies), MA (Arabic)
PGD (Islamic Banking & Finance)
MIBF (Masters in Islamic Banking & Finance)

Ref: ASRR-25 Date: 23-09-25

Annual Shari'ah Review Report of First Imrooz Modaraba For the year ended June 30, 2025

In the name of Allah, The Most Beneficent, The Most Merciful,
All praise is due to Allah, and Allah's Peace and Blessings be upon His Final Messenger, his pure family, his noble Companions, and all those who follow them with righteousness until the Day of Judgment.

I have conducted the Shari'ah review of First Imrooz Modaraba managed by A R Management Services (Pvt) Limited, the Modaraba Management Company for the year ended June 30, 2025, in accordance with the requirements of the Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas and report that, in my opinion:

i. The Modaraba has introduced a mechanism that has strengthened the Shari'ah compliance, in letter and spirit and the systems, procedures, and policies adopted by the Modaraba are in line with the Shari'ah principles;

ii. Following were the major developments that took place during the year:

Training and Development: The key staff of the First Imrooz Modaraba is fully equipped with Shari'ah-compliant business modes and all relevant industry tools through training. In addition, inhouse training conducted on Microsoft Excel and staff members also attended an external workshop on Taxation matters to further enhance their professional skills during the period.

iii. The agreement(s) entered into by the Modaraba are Shari'ah compliant and have been executed on the formats as approved by the Religious Board and all the related conditions have been met;

iv. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shari'ah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shari'ah Compliance and Shari'ah Audit Regulations for Modarabas.

v. There have been no earnings that have been realized from the sources or by means prohibited by Shari'ah which could have been credited to charity accounts

Abdul Qadir

B-41 Block N, North Nazimabad Karachi, Near Sakhi Hassan Post Office 74700, Pakistan
Cell Number: 0321-2103451, Email Address: abdulqadirh_22@yahoo.com, abdulqadirh_22@hotmail.com

Observations:

I have inquired and checked the systems and business transactions of Modaraba and found them in line with the guidelines issued by SECP vide Circular No. 8 of 2012 dated 03-02-2012, whereby Shari'ah Compliance and Shari'ah Audit Mechanism (SCSAM) was introduced.

1) All the financing facilities have been availed through the Islamic Banking Windows of the Banks.
2) With reference to the insurance coverage, it is observed that the Modaraba has availed insurance coverage facility from Takaful Window of EFU General Insurance Ltd.
3) Further, it has been noticed that all the surplus funds in the Modaraba are always and invariably placed with Islamic Banking Institutions.

Recommendations:

The management should continue its endeavor to comply with the rulings of Shari'ah in its business operation and future transactions.

Conclusion:

Based on the above-mentioned facts I am of the view that the business operations of First Imrooz Modaraba are Shari'ah Compliant, to the best of my knowledge.

May Allah make us successful in this world and hereafter and forgive our mistakes.

Signature

Abdul Qadir
Shari'ah Advisor
Dated: September 23, 2025

مفتی عبدالقادر
Shariah Advisor

FIRST IMROOZ MODARABA

PATTERN OF HOLDINGS OF THE CERTIFICATES
BY THE CERTIFICATE HOLDERS AS AT JUNE 30, 2025
(on Form No. XII prescribed under Rule 14 of the Modaraba Companies & Modaraba Rules, 1981)

Number of Certificate Holders	:	Certificate Holding From	:	To	:	Total Certificates Held
52	:	1	:	100	:	1,345
108	:	101	:	500	:	52,505
14	:	501	:	1000	:	13,700
19	:	1001	:	5000	:	46,462
9		5001	:	10000	:	69,676
4		10001	:	15000	:	50,700
2		20001	:	25000	:	45,863
1		45001	:	50000	:	45,200
1		55001	:	60000	:	56,200
1		65001	:	70000	:	68,700
1		205001	:	210000	:	205,787
2		235001	:	240000	:	473,362
2		240001	:	245000	:	480,500
2	:	255001	:	260000	:	518,100
1	:	270001	:	275000	:	271,900
1	:	595001	:	600000	:	600,000
220						3,000,000

Categories of Certicicate Holders	:	Number	:	Certificates Held	:	Percentage %
Individuals	:	217	:	2,394,963	:	79.83
Joint Stock Companies	:	1	:	4,537	:	0.15
Modaraba Company	:	1	:	600,000	:	20.00
Others	:	1	:	500	:	0.02
	:	220	:	3,000,000	:	100.00

FIRST IMROOZ MODARABA

CERTIFICATE HOLDERS INFORMATION AS PER REQUIREMENT OF LISTING REGULATIONS OF THE PAKISTAN STOCK EXCHANGE

ASSOCIATED COMPANIES		SHARES HELD
A R Management Services (Pvt) Limited Modaraba Management Company		600,000

DIRECTORS, CEO THEIR SPOUSE & MINOR CHILDREN

Mr. Naveed Riaz	Chief Executive	309,000
Mrs. Ismat Riaz w/o Mr. Naveed Riaz		262,300
Mr. Ameed Riaz	Director	246,000
Mrs. Roqaiya Riaz w/o Mr. Ameed Riaz		304,400

BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES, MODARABAS, MUTUAL FUNDS, ETC.

First Al Noor Modaraba	4,537
N H Securities (Pvt) Limited	500

CERTIFICATE HOLDERS HOLDING 10% OR MORE

A R Management Services (Pvt) Limited
Modaraba Management Company

TRADES IN THE MODARABA CERTIFICATES

None of the Directors, CEO, CFO, Company Secretary and their spouses and minor children has traded in the certificates of the Modaraba during the year.

FIRST IMROOZ MODARABA

NOTICE OF ANNUAL REVIEW MEETING

Notice is hereby given that Annual Review Meeting of certificate holders of First Imrooz Modaraba will be held on Monday, 27 October 2025 at 11:30 a.m. at Registered Office of the Modaraba Company situated at 125-S, Small Industrial Area, Kot Lakhpat, Lahore, to review the performance of the Modaraba for the year ended June 30, 2025.

The Certificate Holders whose names appear on the Register of Certificate Holders of First Imrooz Modaraba as on October 13, 2025 will be eligible to attend the Annual Review Meeting.

By order of the Board

October 06, 2025

Shabbir Ahmed Jamsa

COMPANY SECRETARY

Note:

1. The Certificate Transfer Book will remain closed from October 14, 2025 to October 27, 2025 (both days inclusive) for the purpose of attending Annual Review Meeting. All transfer received in order up to close of business on October 13, 2025 at our Registrar's office M/s F.D. Registrar Services (Pvt) Limited, Office No. 1705, 17^{th} Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi, will be considered in time.

2. CDC Certificate Holders desiring to attend the meeting are requested to bring their original CNIC, Account and participant's ID number for identification purpose.


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Managed by

A R MANAGEMENT SERVICES (PRIVATE) LIMITED

FIRST IMROOZ MODARABA

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