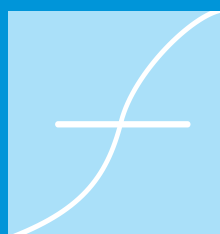


# 2025

## ANNUAL REPORT



**FIDELITY  
LEASING**

**FIRST FIDELITY LEASING MODARABA**

Managed by:  
Fidelity Capital Management (Private) Limited



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## CORPORATE INFORMATION

### Board of Directors

Fidelity Capital Management (Private) Limited.

Chairman

Chief Executive

Directors

Siyyid Tahir Nawazish

Mr. Wasim-ul-Haq Osmani

Mr. Muhammad Farooq Abid Tung

Ms. Nasira Taskeen

### Company Secretary / CFO

Mr. Ijaz Fazal

hi\_ij@hotmail.com

ijazfazal@gmail.com

### Auditors of Modaraba

Rahman Sarfraz Rahim Iqbal Rafiq

Chartered Accountants

### Audit Committee

Chairman

Members

Secretary

Mr. Muhammad Farooq Abid Tung

Siyyid Tahir Nawazish

Ms. Nasira Taskeen

Mr. Muhammad Ilyas Shafiq

### Credit Committee

Chairman

Members

Siyyid Tahir Nawazish

Mr. Wasim-ul-Haq Osmani

Mr. Muhammad Younas Chaudhry

### Human Resource & Remuneration Committee

Chairman

Members

Secretary

Ms. Nasira Taskeen

Mr. Muhammad Farooq Abid Tung

Siyyid Tahir Nawazish

Mr. Muhammad Younas Chaudhry

### Legal Advisor

Salim & Baig (Advocates)

### Bankers

MCB Bank Limited

Meezan Bank Limited

### Registered Office

93, B-1 Canal Park, Gulberg -II, Lahore.

Tel: 0 4 2 – 3 5 7 1 3 4 6 1 – 6 4

Fax: 0 4 2 – 3 5 7 5 9 1 2 2

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

Website: [www.fidelitymodaraba.com](http://www.fidelitymodaraba.com)

### Registrars

Corptec Associates (Private) Limited

503-E, Johar Town Lahore.

Tel: 0 4 2 – 3 5 1 7 0 3 3 6 - 7

Fax: 0 4 2 – 3 5 1 7 0 3 3 8

Email: [corptecassociates@gmail.com](mailto:corptecassociates@gmail.com)



## **Vision**

To excel in providing innovative Islamic financial Services to customers in the best possible manner.

## **Mission**

- To achieve a unique position in the Modaraba sector by developing products, foreseeing upcoming changes, endeavoring value addition, focusing economic and industrial growth of the country and seeking expansion in business activity.
- To offer attractive returns to stakeholders as per their expectations.

To actively participate and support transformation of our mercantile and financial sector in accordance with Sharia.

- To build our institution with attributes of flexibility, innovation and foresight keeping intact prudence level and corporate discipline supported by dedicated management mindful of corporate and social obligation, maintaining high professional and ethical standards with eyes on the future.



## KEY OPERATING DATA FOR LAST SIX YEARS

(Rupees in Millions)

	June 2025 Rupees	June 2024 Rupees	June 2023 Rupees	June 2022 Rupees	June 2021 Rupees	June 2020 Rupees	June 2019 Rupees
Operating results							
Revenues	13.264	0.81	19.73	23.71	24.025	24.40	27.29
Operating loss/profit before taxation and management fee	(1.467)	(22.61)	(2.19)	(5.955)	(2.91)	(4.06)	1.38
Financial position							
Fixed assets (owned and leased out)	251.906	243.29	249.01	261.74	271.07	284.4	288.4
Total assets	335.440	332.60	357.48	365.45	374.39	377.98	382.25
Certificateholders equity	297.628	302.07	324.82	327.23	333.44	336.35	341.00
Paid up capital	264.13	264.13	264.13	264.13	264.13	264.13	264.13
Earning Profit / (Loss) per certificate	(0.06)	(0.88)	(0.09)	(0.24)	(0.11)	(0.18)	0.04
Profit distribution (%)	-	-	-	-	-	-	-
Break-up value per certificate	12.70	11.44	12.30	12.39	12.62	12.73	12.91



**NOTICE TO CERTIFICATEHOLDERS  
ANNUAL REVIEW MEETING AND BOOK CLOSURE**

Notice is hereby given that the Annual Review Meeting of First Fidelity Leasing Modaraba to review the performance of Modaraba for the year ended June 30, 2025 will be held on Thursday **November 27, 2025 at 12:30 P.M.** at Ground Floor, 93-B-1, Canal Bank, Gulberg-II, Lahore. The Certificate transfer books of the Modaraba remain closed from November 20, 2025 to November 27, 2025 (both days inclusive) for the determination of names of certificate holders for attendance of Annual Review Meeting. Certificate holders whose names are entered in the Register of Certificate holders as on November 20, 2025 shall be entitled to attend the meeting.

November 05, 2025  
Lahore

Ijaz Fazal  
CFO/Company Secretary



## Director's Report

The Board of Directors of Fidelity Capital Management (Private) Limited, the Management company of First Fidelity Leasing Modaraba, are pleased to present the 33rd Annual Report of First Fidelity Leasing Modaraba along with the audited financial statements and the Auditors' Report thereon for the year ended June 30, 2025.

### Financial Results

The financial results of the Modaraba are summarized as follows.

	Rupees in '000'	
	2025	2024
Total Income	13.264	12.157
Expenses	(20.229)	(16.863)
Operating profit/(loss)	(1.467)	(23.334)
(Provision)/ Reversal	5.498	(18.628)
Loss before Management Fee	(1.467)	(23.334)
Modaraba Company's management fee	-	-
Loss before taxation	(1.467)	(23.334)
Taxation	(0.165)	0.073
Loss after tax	(1.633)	(23.261)

### Appropriations

Appropriated as follows:

Transferred to statutory reserves

	Nil	Nil
--	-----	-----

### Earnings per Certificate:

Loss/ Profit per certificate stood at	Rs. (0.06)	(0.88)
---------------------------------------	------------	--------

### Review of Operations

The Modaraba during the year ended June 30, 2025 sustained a loss of Rs. 1.633 million as against loss of Rs. 23.261 million sustained in the corresponding year ended June 30, 2024. Loss per certificate of the Modaraba is Rs.0.06 as compared to loss of Rs 0.88 per certificate sustained in the corresponding year. The operation of the Modaraba for the year were in loss. As a matter of fact, conversion of Modaraba operations into profitability necessarily depends on the recovery of its major investment in the corporate tower and its deployment into new revenue generating avenues.

As referred to in note 12.2.1 to the financial statements and as highlighted by Auditors' Report, Modaraba's major portfolio at present is in the corporate tower being constructed by Enplan (Pvt) Limited. The management is anxious to get Modaraba's funds back so as to utilize those in its core business. The management therefore was stressing upon sponsors of the tower to complete it with the help of finances from other sources, enabling Modaraba to liquidate its investment. However, sponsors unwillingness to sell the building floors at market rates and to seek abnormal higher rates remained a barrier in resolving the matter. On persistent failure of sponsors' commitment, two legal cases were filed against Enplan and its Sponsors. First case was filed before the Modaraba tribunal for the recovery of Morabaha Finance of Rs 35.0 million and contracted profit along with cost of funds. Second case was filed before the Lahore High Court for recovery of Rs 204.0 million along with cost of funds.

In the first case the Modaraba Tribunal on February 03, 2022 decreed the case in favor of the Modaraba for an amount of Rs 43.772 million as principal and markup, further cost of funds has also been awarded to the Modaraba from June 1, 2014 till the date of realization. As more fully explained in note 8.1 to the financial statements' M/s Enplan had preferred an appeal before the Honorable Lahore High Court. The Court in the appeal hearing held on February 11, 2025 remanded the case back to the Modaraba Tribunal for framing issues and recording of the evidence. The case is to be re-heard by the Tribunal, the next date of hearing has been fixed as December 2, 2025.

In the second case the Honorable Lahore High Court had closed the right of Enplan to argue the case on October 5, 2021, and the right of sponsors/guarantors to argue the case was also closed on April 27, 2022. However, on September 5, 2022 and thereafter, Enplan and its sponsors/guarantors submitted miscellaneous applications in the Lahore High Court for restoration of their right to defend. All the miscellaneous applications prima-facie are time barred. The Modaraba has filed its written objection to the court. The case is likely to be heard in 4 December, 2025. If Enplan miscellaneous applications are rejected the decision favoring Modaraba is likely to be announced sooner.



The Modaraba is likely to recover the decretal amounts from the auction of the mortgaged land and building. The valuation of the mortgaged property is good enough to suffice our estimated decretal amounts. The recovery of decretal amount mean we would be receiving not only our principal amount of Rs 239.0 million but additional substantial amounts coming in the form of profit and cost of funds.

### Corporate Governance Compliance

As required by the Code of Corporate Governance, directors are pleased to report that:

- (a) The financial statements prepared by the management of the Modaraba present fairly its true state of affairs, the results of its operations, cash flows and changes in equity.
- (b) Proper books of account of the Modaraba have been maintained.
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (d) International accounting standards, as applicable in Pakistan have been followed in preparation of financial statements.
- (e) The system of internal control is sound and has been effectively implemented and monitored.
- (f) There are no significant doubts upon the Moradaba'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 of the stock exchanges.
- (h) A statement setting out status of the compliance with the best practices of corporate governance is attached.
- (i) There are no statutory payments on account of taxes, duties, levies and charges, which are outstanding as on June 30, 2025, except those disclosed in the financial statements, (if any).

### Key Operating and Financial Data

A statement summarizing key operating and financial data for the last six years is attached.

### Trading in Modaraba certificates by Directors etc.

None of the directors, chief executive, executives, auditors of the Modaraba or their spouses and minor children carried out any trade in the certificates of the Modaraba during the year under report.

### Gender, Race & Diversity

The Modaraba is committed to fostering a culture of inclusivity and diversity, where everyone is empowered to thrive. Over the past year, we have made significant strides toward gender diversity, by including a female director on our Board. We recognize that diversity is a key driver of innovation and competitiveness within our organization. Our commitment remains strong as we continue to build a workplace that reflects a wide range of perspectives, gender and race."

### Board Meetings

During the year under review four meetings of the Board of Fidelity Capital Management (Pvt.) Limited were held, which were attended by the directors as follows:

Name of Director	Meetings Attended
Siyyid Tahir Nawazish	4
Mr. Wasim-ul-Haq Osmani	4
Mr. Muhammad Farooq Abid Tung	4
Ms. Nasira Taskeen	4

### Audit Committee Meetings

During the year under review four audit committee meetings were held, which were attended by the directors as follows:

Name of Director	Meetings Attended
Siyyid Tahir Nawazish	4
Mr. Muhammad Farooq Abid Tung	4
Ms. Nasira Taskeen	4





### Human Resource Committee Meetings

During the year under review one human resource and remuneration committee meeting was held, which was attended by the directors as follows:

Name of Director	Meetings Attended
Mr. Muhammad Farooq Abid Tung	1
Siyyid Tahir Nawazish	1

Leave of absence was granted to directors who could not manage to attend some Board meetings.

### Value of Provident Fund

The Modaraba operates a contributory recognized provident fund for all its permanent employees. Equal monthly contributions are made, both by the Modaraba and the employee to the fund @ 10% of basic salary. The value of the fund as at June 30, 2025 works out to Rs. 384,006.

### Pattern of Certificate holdings

The pattern of certificate holdings is annexed to this report.

### Auditors

The current auditors M/s Russell Bedford - Rahman Sarfraz Rahim Iqbal, Rafiq, Chartered Accountants, have offered themselves as auditors for the fiscal year ending June 30, 2026. This appointment is, however, subject to approval by the Registrar Modaraba."

### Future Outlook and Strategy

The Management visualizes Modaraba's future prospects bright on realization of funds out of investments in the current real estate projects so as to invest in business modes to generate regular stream of income for the benefit of the certificate holders.

### Acknowledgement

The Board wishes to place on record its appreciation for the continued support, guidance and necessary measures taken pointed by the Registrar Modaraba, Securities and Exchange Commission of Pakistan, Modaraba Association of Pakistan and other Regulators. At the same time the Board appreciates the commitment, dedication and hard work put in by the management and staff members of the Modaraba and looks forward to their continued commitment in the coming years. Finally, the Board extends its gratitude and appreciation to the certificate holders who remained committed to the Modaraba.

Lahore  
November 05, 2025

For and on behalf of the  
Board of Directors

  
Wasim ul Haq Osmani  
Chief Executive



## ڈائریکٹرز رپورٹ

فیدلٹی کیپیٹل مینجمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز، فرسٹ فیدلٹی لیزنگ مضاربہ کی مینجمنٹ کمپنی، فرسٹ فیدلٹی لیزنگ مضاربہ کی 34 ویں سالانہ رپورٹ کے ساتھ آڈٹ شدہ مالیاتی گوشواروں اور اس پر سال (30 جون 2025 کو ختم ہوا) کے آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی نتائج

	Rupees in '000'	
	2025	2024
Total Income	13.264	12.157
Expenses	(20.229)	(16.863)
Operating profit/(loss)	(1.467)	(23.334)
(Provision)/ Reversal	5.498	(18.628)
Loss before Management Fee	(1.467)	(23.334)
Modaraba Company's management fee	-	-
Loss before taxation	(1.467)	(23.334)
Taxation	(0.165)	0.073
Loss after tax	(1.633)	(23.261)
<b>Appropriations</b>		
Appropriated as follows:		
Transferred to statutory reserves	-	-
<b>Profit distribution</b>	<b>Nil</b>	<b>Nil</b>
<b>Earnings per Certificate:</b>		
Loss/ Profit per certificate stood at	<b>Rs. (0.06)</b>	<b>(0.88)</b>

### آپریٹنگ کارپوریشن

مضاربہ کو 30 جون 2025 کو ختم ہونے والے سال کے دوران 1.633 ملین روپے کے نقصان کے مقابلے میں 30 جون 2024 کو ختم ہونے والے سال میں 23.261 ملین روپے تھی۔ مضاربہ کا پچھلے سال فی سرٹیفکیٹ نقصان 0.06 روپے اور اس سال فی سرٹیفکیٹ کے نقصان 0.88 روپے رہا۔ سال بھر کے لیے مضاربہ کا آپریٹنگ کچھ مخصوص وقت پر مبنی دفعات کے شامل ہونے کی وجہ سے نقصان میں رہا۔ درحقیقت مضاربہ آپریٹنگ کو منافع میں تبدیل کرنا لازمی طور پر کارپوریٹ ٹاور میں اس کی بڑی سرمایہ کاری کی وصولی اور آمدنی پیدا کرنے کے نئے راستوں میں اس کی تعیناتی پر منحصر ہے۔

جیسا کہ نوٹ 1.2.14 میں مالیاتی بیانات کا حوالہ دیا گیا ہے اور جیسا کہ آڈیٹرز کی رپورٹ میں روشنی ڈالی گئی ہے، اس وقت مضاربہ کا بڑا پورٹ فولیو کارپوریٹ ٹاور میں ہے جسے Enplan (Pvt) Limited کے ذریعے تعمیر کیا جا رہا ہے۔ انتظامیہ مضاربہ کے فنڈز واپس حاصل کرنے کے لیے بے چین ہے تاکہ ان کو اس کے بنیادی کاروبار میں استعمال کیا جا سکے۔ اس لیے انتظامیہ ٹاور کے سپانسرز پر زور دے رہی تھی کہ وہ اسے دوسرے ذرائع سے حاصل ہونے والی مالی مدد سے مکمل کریں، جس سے مضاربہ اپنی سرمایہ کاری کو ختم کر سکے۔ تاہم، سپانسرز کی جانب سے عمارت کے فرش کو مارکیٹ ریٹ پر فروخت کرنے اور غیر معمولی زیادہ نرخوں کی تلاش میں عدم دلچسپی معاملے کو حل کرنے میں رکاوٹ بنی ہوئی تھی۔ سپانسرز کے عزم کی مسلسل ناکامی پر، Enplan اور اس کے سپانسرز کے خلاف دو قانونی مقدمات درج کیے گئے۔ مضاربہ ٹریبونل میں 35.0 ملین روپے کے مراعات فنانس کی ریکوری اور فنڈز کی لاگت کے ساتھ منافع کا معاہدہ کرنے کے لیے پہلا مقدمہ دائر کیا گیا۔ دوسرا کیس لاہور ہائی کورٹ میں 204.0 ملین روپے کے فنڈز کی لاگت سمیت ریکوری کے لیے دائر کیا گیا۔

پہلے کیس میں مضاربہ ٹریبونل نے 03 فروری 2022 کو مضاربہ کے حق میں 43,772 ملین روپے بطور پرنسپل اور مارک اپ کیس کا فیصلہ سنایا، مضاربہ کو 1 جون 2014 سے لے کر وصولی کی تاریخ تک کے فنڈز کی مزید لاگت بھی دی جائے گی۔ وصولی کی تاریخ یہ رقم رہن رکھی گئی زمین اور عمارت کی نیلامی سے وصول کی جانی ہے۔ جیسا کہ نوٹ 8.1 میں مالیاتی گوشواروں کی مزید وضاحت کی گئی ہے، M/s Enplan نے معزز لاہور ہائی کورٹ کے سامنے ایک اپیل کو ترجیح دی، عدالت نے 11 فروری کو ہونے والی اپیل کی سماعت میں معاملات کو تیار کرنے اور شواہد کی ریکارڈنگ کے لیے کیس کو مضاربہ 2025 ٹریبونل میں واپس بھیج دیا۔ معاملہ یہ ہے ٹریبونل کی طرف سے دوبارہ سماعت کی جائے گی، سماعت کی اگلی تاریخ 2 دسمبر 2025 مقرر کی گئی ہے۔

دوسرے کیس میں معزز لاہور ہائی کورٹ نے 5 اکتوبر 2021 کو اپیلان کے کیس پر بحث کرنے کا حق بند کر دیا تھا اور اسپانسرز / ضمانت کنندگان کا کیس پر دلائل دینے کا حق بھی 27 اپریل 2022 کو بند کر دیا گیا تھا۔ تاہم 5 ستمبر 2022 کو اس کے بعد Enplan اور اس کے سپانسرز / ضمانت کاروں نے اپنے حق کی بحالی کے لیے لاہور ہائی کورٹ میں متفرق درخواستیں جمع کرائیں جنہیں Enplan کی تمام متفرق اپیلی کیشنز بنیادی طور پر وقت گزر چکا ہے۔ مضاربہ نے اپنا تحریری اعتراض عدالت میں داخل کر دیا ہے۔ یہ کیس متفرق درخواستوں وغیرہ پر 4 دسمبر 2025 کو بحث کے لیے مقرر کیا گیا ہے۔ اگر Enplan متفرق درخواستوں کو مسترد کر دیا جاتا ہے تو مضاربہ کے حق میں فیصلہ جلد سنائے جانے کا امکان ہے۔



مضاربہ ممکنہ طور پر رہن رکھی گئی زمین اور عمارت کی نیلامی سے کم رقم وصول کرے گا۔ رہن رکھی ہوئی جائیداد کی قیمت اتنی اچھی ہے کہ ہماری تخمینہ شدہ کمی کی رقم کافی ہے۔ ڈیکریٹل رقم کی وصولی کا مطلب ہے کہ ہم نہ صرف اپنی 239.0 ملین روپے کی اصل رقم وصول کر رہے ہوں گے بلکہ منافع اور فنڈز کی لاگت کی صورت میں اضافی کافی رقم بھی حاصل کر رہے ہوں گے۔

### کارپوریٹ گورننس کی تعمیل

جیسا کہ کوڈ آف کارپوریٹ گورننس کی ضرورت ہے، ڈائریکٹرز یہ بتاتے ہوئے خوش ہیں کہ:

- (a) مضاربہ کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشواروں میں اس کی حقیقی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کیا گیا ہے۔
- (b) مضاربہ کے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔
- (c) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور دانشمند فیصلے پر مبنی ہیں۔
- (d) مالیاتی گوشواروں کی تیاری میں پاکستان میں مضاربہ پہلا گو بین الاقوامی مالی رپورٹنگ اور اسلامی اکاؤنٹنگ کے معیار کی پیروی کی گئی ہے۔
- (e) اندرونی کنٹرول کا نظام درست ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- (f) مضاربہ کی مسلسل کاروبار جاری رکھنے کی صلاحیت پر کوئی شک وشبہ نہیں ہے۔
- (g) پاکستان اسٹاک ایکسچینج کے لسٹنگ قوانین میں بیان کردہ کارروبار کی دیکھ بھال کے بہترین عمل میں کوئی قابل ذکر تبدیلی نہ ہوئی ہے۔
- (h) وہ بیانات جو کہ دیکھ بھال کے اعلیٰ اور اچھے نظام کے تحت ہیں وہ اس کتاب میں درج ہیں۔
- (i) ٹیکسز، ڈیوٹی، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں نہیں ہیں، جو کہ 30 جون 2024 تک بقایا ہیں، سوائے ان کے جو مالیاتی گوشواروں میں ظاہر کیے گئے ہیں، (اگر کوئی ہیں)

### کلیدی آپریٹنگ اور مالیاتی ڈیٹا

پچھلے چھ سالوں کے اہم آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ کرنے والا بیان منسلک ہے۔

### ڈائریکٹرز وغیرہ کے ذریعہ مضاربہ سرٹیفیکیشن میں تجارت

مضاربہ کے کسی بھی ڈائریکٹر، چیف ایگزیکٹو، ایگزیکٹوز، آڈیٹرز یا ان کی شریک حیات اور نابالغ بچوں نے زیر رپورٹ سال کے دوران مضاربہ کے سرٹیفیکیشن میں کوئی تجارت نہیں کی۔

### صنف، نسل اور تنوع

مضاربہ شمولیت اور تنوع کی ثقافت کو فروغ دینے کے لیے پرعزم ہے، جہاں ہر ایک کو ترقی کی منازل طے کرنے کا اختیار حاصل ہے۔ پچھلے ایک سال کے دوران، ہم نے اپنے بورڈ میں ایک خاتون ڈائریکٹر کو شامل کر کے صنفی تنوع کی طرف اہم پیش رفت کی ہے۔ ہم تسلیم کرتے ہیں کہ تنوع ہماری تنظیم میں جدت اور مسابقت کا ایک اہم محرک ہے۔ ہماری وابستگی مضبوط ہے کیونکہ ہم کام کی جگہ بنانا جاری رکھتے ہیں جو وسیع تناظر، جنس اور نسل کی عکاسی کرتا ہے۔"

### بورڈ مینٹلز

زیر جائزہ سال کے دوران بورڈ آف فیڈیلیٹی کیپٹل مینجمنٹ (پرائیویٹ) لمیٹڈ کے چار اجلاس منعقد ہوئے، جن میں ڈائریکٹرز نے شرکت کی:

ڈائریکٹر مینٹلز میں شرکت کرنے والوں کا نام

4	سید طاہر نوازش
4	جناب وسیم الحق عثمانی
4	جناب محمد فاروق عابدنگ
4	محترمہ ناصرہ تسکین

### آڈٹ کمیٹی کے اجلاس

زیر جائزہ سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے، جن میں ڈائریکٹرز نے شرکت کی:

ڈائریکٹر مینٹلز میں شرکت کرنے والوں کا نام

4	سید طاہر نوازش
4	جناب محمد فاروق عابدنگ
4	محترمہ ناصرہ تسکین



### ہیومن ریسورس کمیٹی کے اجلاس

زیر نظر سال کے دوران ایک ہیومن ریسورس اینڈ ریمنیریشن کمیٹی کا اجلاس ہوا جس میں ڈائریکٹرز نے شرکت کی: ڈائریکٹر مینٹننس میں شرکت کرنے والوں کا نام

1 جناب محمد فادوق عابدنگ

1 سید طاہر نوازش

غیر حاضری کی چھٹی ان ڈائریکٹرز کو دی گئی جو بورڈ کے کچھ اجلاسوں میں شرکت کا انتظام نہیں کر سکے۔

### پراویڈنٹ فنڈ کی قیمت

مضاربہ اپنے تمام مستقل ملازمین کے لیے ایک معاون تسلیم شدہ پراویڈنٹ فنڈ چلاتا ہے۔ مضاربہ اور ملازم دونوں کی طرف سے بنیادی تنخواہ کے 10% کے حساب سے یکساں مابانہ تعاون کیا جاتا ہے۔ 30 جون 2025 تک فنڈ کی مالیت 384,006 روپے بنتی ہے۔

### سرٹیفکیٹ ہولڈنگز کا پیٹرن

سرٹیفکیٹ ہولڈنگز کی ترتیب اس رپورٹ کے ساتھ منسلک ہے۔

### آڈیٹرز

موجودہ آڈیٹرز نے اپنی پانچ سالہ مدت پوری کر لی ہے، اور مضاربہ کی آڈٹ کمیٹی نے میسرز رسل بیڈ فورڈ - رحمان سرفراز رحیم اقبال، رفیق، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے نئے آڈیٹرز کے طور پر مقرر کیا ہے۔ یہ تقرری تاہم، رجسٹرار مضاربہ کی منظوری سے مشروط ہے۔"

### مستقبل کا آؤٹ لک اور حکمت عملی

انتظامیہ موجودہ رئیل اسٹیٹ پروجیکٹس میں سرمایہ کاری سے فنڈز کی وصولی پر مضاربہ کے مستقبل کے امکانات کو روشن تصور کرتی ہے تاکہ سرٹیفکیٹ ہولڈرز کے فائدے کے لیے باقاعدہ آمدنی پیدا کرنے کے لیے کاروباری طریقوں میں سرمایہ کاری کی جاسکے۔

### اعتراف

بورڈ آف مضاربہ اس موقع پر رجسٹرار مضاربہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج لمیٹڈ، مضاربہ ایسوسی ایشن آف پاکستان اور دیگر ریگولیٹرز کی جانب سے مسلسل تعاون، رہنمائی اور سرپرستی کے لئے شکریہ ادا کرتا ہے۔ اس کے ساتھ ساتھ بورڈ مضاربہ کی انتظامیہ اور عملے کے ارکان کی جانب سے لگن، لگن اور محنت کو سراہتا ہے اور آنے والے سالوں میں ان کے مسلسل عزم کا منتظر ہے۔ آخر میں، بورڈ ان سرٹیفکیٹ ہولڈرز کا شکریہ ادا کرتا ہے جو مضاربہ کے لیے پر عزم رہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

بسم اللہ الرحمن الرحیم

وسیم الحق عثمانی

چیف ایگزیکٹو آفیسر

لاہور

05 نومبر 2025



## STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 OF FIRST FIDELITY LEASING MODARABA FOR THE YEAR ENDED JUNE 30, 2025

The Fidelity Capital Management (Private) Limited ("The Management Company") is a Private Limited Company and is not listed on Stock Exchange. However, the First Fidelity Leasing Modaraba ("The Modaraba") is listed on Pakistan Stock Exchange Limited. The Board of Directors ("The Board") of Fidelity Capital Management (Private) Limited is responsible for the management of the affairs of the Modaraba.

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

1. The total number of Directors are 4 as per the following,
  - a) Male: 3
  - b) Female: 1

The requirement of minimum 7 directors does not apply to Modaraba as the Modaraba is being managed by a Management Company which is a Private Limited Company.

2. The composition of the Board is as follows:

CATEGORY	
<b>Independent Directors</b>	Ms. Nasira Taskeen Mr. Muhammad Farooq Abid Tung
<b>Executive Directors</b>	Mr. Wasim-ul-Haq Osmani
<b>Non-Executive Directors</b>	Mr. Siyyid Tahir Nawazish

The independent Directors are not registered in the databank of Independent Directors maintained by the Pakistan Institute of Corporate Governance (PICG) at the time of issuance of this compliance statement.

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;
4. The 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 Modaraba. 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 Modaraba;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board of directors of the Management Company/ certificate holders of the Modaraba, (where ever applicable), as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to \*frequency, recording and circulating minutes of meeting of the Board. Overall four Board meetings were held during the year.
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. Two of the Directors on the Board have acquired certification under Directors' Training Program as prescribed while two are exempted from certification under Directors' Training.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;



11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below. -
- a) Audit Committee:
- |                               |          |
|-------------------------------|----------|
| Mr. Muhammad Farooq Abid Tung | Chairman |
| Mr. Siyyid Tahir Nawazish     | Member   |
| Ms. Nasira Taskeen            | Member   |
- b) HR & Remuneration Committee:
- |                               |          |
|-------------------------------|----------|
| Ms. Nasira Taskeen            | Chairman |
| Mr. Muhammad Farooq Abid Tung | Member   |
| Mr. Siyyid Tahir Nawazish     | Member   |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
- a) \*Audit Committee meetings: 4
- b) HR and Remuneration Committee: 1
- \*No meeting of the Audit Committee was held in the first quarter ended 30 September 2024. Overall, four meetings were held during the year.
15. The Board has set up an effective internal audit function, who 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 Modaraba 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 Management 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 Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with, except for the non-compliance with regulation 6 and 27(2) as disclosed in serial no. 2 and serial no. 14 respectively to this statement of compliance.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below;

Sr.No	Reg. Ref.	Requirement	Future Course of Action
1	Regulation 24 of Listed Companies (Code of Corporate Governance) Regulations, 2019	The Chief financial Officer and Company Secretary is the same person	The current CFO and Company Secretary is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost-effective measure that is in the better Interest of the certificate holders of the Modaraba, therefore hiring a separate person for both position is not feasible.

**Siyyid Tahir Nawazish**

Chairman

Date: November 05, 2025



## INDEPENDENT AUDITOR'S REVIEW REPORT

**To the certificate holders of FIRST FIDELITY LEASING MODARABA  
Review Report on the Statement of Compliance contained in Listed Companies  
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 [the 'Regulations'] prepared by the Board of Directors of **FIDELITY CAPITAL MANAGEMENT (PRIVATE) LIMITED** [the 'Management Company'] for the year ended **30 June 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 Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Management Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the 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 Management Company's corporate governance procedures and risks.

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

Further, we highlight below instances of non-compliance with the requirement of the Regulations as reflected in paragraph reference where it is stated in the Statement of Compliance:



Reference	Description
Paragraph 2	The independent directors appointed on the Board are not included in the databank of Independent Directors maintained by the Pakistan Institute of Corporate Governance at the time of issuance of the enclosed Statement of Compliance
Paragraph 13	No meeting of audit committee was held during the quarter ended 30 September 2024.
Paragraph 19	The position of Chief Financial Officer and Company Secretary is held by the same person.

The engagement partner on the review resulting in this independent auditor's review report is **ALI RAZA JAFFERY**.

**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

Lahore | 05 November 2025

UDIN: CR202510704Ry9aSDVBp





# INDEPENDENT AUDITOR'S REPORT

## To the certificate holders of FIRST FIDELITY LEASING MODARABA Report on the Audit of Financial Statements

### Qualified Opinion

We have audited the annexed financial statements of **FIRST FIDELITY LEASING MODARABA** [the 'Modaraba'], which comprise the statement of financial position as at **30 June 2025**, and the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies 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, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the statement of financial position, statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at **30 June 2025** and of the loss, other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

### Basis for Qualified Opinion

Capital work in progress, reporting in note 12.2 to the annexed financial statements at Rs. 224 million, net of impairment losses of Rs. 4.5 million, includes advance amounting to Rs. 204 million against purchase of ground floor in the under construction Corporate Tower in Garden Town, Lahore. As further explained in note 12.2.1 to annexed financial statements, the construction work on the Corporate Tower stands stalled at plinth level and the Modaraba has filed various recovery suits against the counter-party; Enplan (Private) Limited. Further, capital work in progress includes advance in 2005 of Rs. 20 million paid for construction of villas in Murree. As explained in note 12.2.3 the construction work has not been completed. The management has not measured the recoverable amount of these advances and accordingly, the impairment loss, if any, has not been recognized in the annexed financial statements.

Membership assets, reporting in note 14 to the annexed financial statements at Rs 3.510 million, have not been tested for impairment, and accordingly, the impairment loss, if any, has not been recognized in the annexed financial statements.

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 Modaraba Company (Name of Modaraba 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.

### Key Audit Matters

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

Sr.	Key Audit Matter	How our audit addressed the Key Audit Matter
1.	<p><b>Short term investments under Murabaha arrangements and ijarah rentals receivable</b></p> <p>Refer to notes 16 and 17 to the annexed financial statements.</p> <p>The Modaraba's gross ijarah rentals receivable and</p>	<p>Our key audit procedures for valuation and recoverability of investments under Murabaha arrangements and ijarah rentals receivable included the following:</p> <p>x Obtained an understanding of the Modaraba's</p>



Sr.	Key Audit Matter	How our audit addressed the Key Audit Matter
	<p>short term investments under murabaha arrangements are reported at Rs. 260.325 million and Rs. 55.901 million respectively. We identified valuation and recoverability of short term murabaha investments and ijarah rental receivables as key audit matter as these constitute a significant portion of the Modaraba's total assets and gives rise to the risk associated with the incorrect estimation of expected credit losses.</p>	<p>processes and design and implementation of internal controls relating to credit risk management, receivables collection process and estimation of expected credit losses for non-performing receivables.</p> <ul style="list-style-type: none"> <li>x Tested controls over estimation of expected credit losses for non-performing receivables.</li> <li>x Performed substantive audit procedures on year end balances of portfolio including inspection of legal documentation and testing the accuracy of aging analysis, on sample basis, by comparing individual balances in the portfolio with underlying documentation.</li> <li>x Evaluated the appropriateness of accounting policy of the Modaraba for the estimation of expected credit losses.</li> <li>x Assessed the appropriateness of assumptions and estimates, if any, made by management for estimation of expected credit losses by comparing on sample basis, historic cash collection, actual write-offs and cash receipts from customers subsequent to reporting date.</li> <li>x Assessed the adequacy of the related disclosures in the financial statements.</li> </ul>

#### 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.

#### 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 (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and for such internal control as management of the Modaraba Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management of the Modaraba Company is responsible for assessing the Modaraba's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Modaraba Company either intends to liquidate the Modaraba or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurances about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



- x 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;
- x 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;
- x Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Modaraba Company;
- x Conclude on the appropriateness of the management of the Modaraba Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Modaraba's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Modaraba to cease to continue as a going concern; and
- x Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors of the Modaraba Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors of the Modaraba Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors of the Modaraba Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report:

- 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, the statement of 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; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

#### Other Matters

The financial statements of the Company for the year ended 30 June 2024 were audited by another auditor who expressed a qualified opinion on those statements on 05 November 2024.

The engagement partner on the audit resulting in this independent auditor's report is **ALI RAZA JAFFERY**.

**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
*Chartered Accountants*

Lahore | 05 November 2025

UDIN: AR202510704Utz8DF0J4



## Shari'ah Review Report of First Fidelity Leasing Modaraba For The Year Ended June 30, 2025

I have conducted the Shari'ah review of M/s First Fidelity Leasing Modaraba managed by Fidelity Capital Management (Pvt.) Limited, the Modaraba Management Company for the period ended June 30, 2025 in accordance with the requirements of the Shari'ah Compliance and Shari'ah Audit Mechanism for Modaraba's and report that in my opinion;

1. The Modaraba has introduced a mechanism which 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;
2. The Modaraba's financing portfolio mainly consists on Ijara and Morabaha financing, although no fresh financing facility is extended during the year 2025 except one Ijarah facility however the transactions already made were executed under my supervision/review. The agreement(s) entered into by the Modaraba are Shari'ah compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board and all the related conditions have been met;

### Recommendations

- A portion of the Modaraba's asset portfolio remains insured through conventional insurance companies instead of Shariah-compliant Takaful. This must be fully transitioned to Takaful at the earliest possible opportunity.
- It is recommended that any remaining funds allocated under the charity account be disbursed promptly.
- Management should prioritize Shariah-compliant training programs to enhance adherence to Islamic financial principles.

### Conclusion:

In my opinion and to the best of my knowledge and information provided by FFLM management with relevant explanation, I am of the view that during the period overall business operations of the Modaraba are Shariah Compliant.

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

**Mufti Altaf Ahmed**

Shari'ah Advisor

Dated: November, 05, 2025

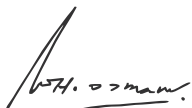


## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees [restated]	30-Jun-23 Rupees [restated]
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
<i>Authorized certificate capital</i>	6	625,000,000	625,000,000	625,000,000
Issued certificate capital	7	264,138,040	264,138,040	264,138,040
Statutory Reserves		94,620,283	94,620,283	94,620,283
Accumulated losses		(61,130,127)	(59,496,946)	(36,235,979)
<b>TOTAL EQUITY</b>		<b>297,628,196</b>	<b>299,261,377</b>	<b>322,522,344</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Security deposits	8	1,070,000	1,881,500	4,175,250
Employees retirement benefits	9	381,812	409,979	528,050
		<b>1,451,812</b>	<b>2,291,479</b>	<b>4,703,300</b>
<b>CURRENT LIABILITIES</b>				
Accrued and other liabilities	10	16,273,074	10,532,812	7,860,977
Unclaimed dividend		16,863,739	16,863,739	16,863,739
Deferred murabaha income		-	-	1,328,271
Current maturity of security deposits	8	3,222,800	3,888,957	4,202,257
		<b>36,359,613</b>	<b>31,285,508</b>	<b>30,255,244</b>
<b>TOTAL LIABILITIES</b>		<b>37,811,425</b>	<b>33,576,987</b>	<b>34,958,544</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11			
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>335,439,621</b>	<b>332,838,364</b>	<b>357,480,888</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property and equipment	12	224,077,974	224,095,928	224,134,473
Assets leased out under ijarah contracts	13	27,828,230	19,431,173	24,877,315
Membership assets	14	3,510,000	3,510,000	3,510,000
Long term investments under murabaha arrangements		-	-	2,500,000
Long term deposits	15	12,500	12,500	12,500
		<b>255,428,704</b>	<b>247,049,601</b>	<b>255,034,288</b>
<b>CURRENT ASSETS</b>				
Investments under murabahah arrangements	16	65,652,774	72,341,250	75,942,999
Ijarah rentals receivable	17	13,257,200	10,321,840	10,975,744
Profit receivable on murabaha investments	18	-	-	6,099,562
Advances and other receivables	19	-	-	6,878,930
Prepaid levies		5,970	15,780	1,074
Income tax refundable/adjustable		1,059,650	1,043,870	1,042,931
Unearned murabaha profit receivable		-	-	1,328,271
Bank balances	20	35,323	2,066,023	177,089
		<b>80,010,917</b>	<b>85,788,763</b>	<b>102,446,600</b>
<b>TOTAL ASSETS</b>		<b>335,439,621</b>	<b>332,838,364</b>	<b>357,480,888</b>

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

For Fidelity Capital Management (Private) Limited  
(Modaraba Management Company)



Chief Executive  
Fidelity Capital Management  
(Private) Limited



Director  
Fidelity Capital Management  
(Private) Limited



Director  
Fidelity Capital Management  
(Private) Limited



CFO/Company Secretary



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

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees [restated]
<b>INCOME</b>			
Income from ijarah financing		13,210,558	10,890,397
Profit on murabahah financing		-	1,211,257
Other income	21	53,763	55,656
		13,264,321	12,157,310
<b>EXPENSES</b>			
Amortization of assets leased out under ijarah contracts	13	(8,985,274)	(5,989,886)
Administrative and general expenses	22	(10,656,831)	(10,172,752)
Stock exchange and CDC charges		(585,000)	(695,000)
Financial charges		(2,664)	(5,846)
		(20,229,769)	(16,863,484)
Impairment reversals/(allowance) for expected credit losses	31.1.6	5,498,071	(18,628,095)
<b>Operating loss</b>		(1,467,377)	(23,334,269)
Management Company's remuneration		-	-
<b>Loss before levies and income taxes</b>		(1,467,377)	(23,334,269)
Provision for levies	23	(165,804)	73,302
<b>Loss before income taxes</b>		(1,633,181)	(23,260,967)
Provision for income taxes	24	-	-
<b>Loss after income taxes</b>		(1,633,181)	(23,260,967)
<b>Basic loss per certificate</b>	25	(0.06)	(0.88)

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

**For Fidelity Capital Management (Private) Limited**  
(Modaraba Management Company)

**Chief Executive**  
Fidelity Capital Management  
(Private) Limited

**Director**  
Fidelity Capital Management  
(Private) Limited

**Director**  
Fidelity Capital Management  
(Private) Limited

**CFO/Company Secretary**

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

	30-Jun-25	30-Jun-24
	<i>Rupees</i>	<i>Rupees</i> <i>[restated]</i>
Loss after income taxes	(1,633,181)	(23,260,967)
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-
Other comprehensive income after income taxes	-	-
<b>Total comprehensive loss</b>	<b>(1,633,181)</b>	<b>(23,260,967)</b>

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

**For Fidelity Capital Management (Private) Limited**  
(Modaraba Management Company)

**Chief Executive**

Fidelity Capital Management  
(Private) Limited

**Director**

Fidelity Capital Management  
(Private) Limited

**Director**

Fidelity Capital Management  
(Private) Limited

CFO/Company Secretary





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

	Share capital Issued subscribed and paid-up capital <i>Rupees</i>	Capital reserves Statutory reserves <i>Rupees</i>	Revenue reserve Accumulated losses <i>Rupees</i> <i>[restated]</i>	Total reserves <i>Rupees</i>	Total equity <i>Rupees</i>
<b>As at 01 July 2023</b>	264,138,040	94,620,283	(33,935,116)	60,685,167	324,823,207
Effects of prior period errors <i>41.1</i>	-	-	(2,300,863)	(2,300,863)	(2,300,863)
<b>As at 01 July 2023 [restated]</b>	264,138,040	94,620,283	(36,235,979)	58,384,304	322,522,344
<b>Total comprehensive loss for the year</b>					
Loss after income taxes	-	-	(23,260,967)	(23,260,967)	(23,260,967)
Other comprehensive income after income taxes	-	-	-	-	-
	-	-	(23,260,967)	(23,260,967)	(23,260,967)
<b>Transaction with owners</b>	-	-	-	-	-
<b>As at 30 June 2024 [restated]</b>	264,138,040	94,620,283	(59,496,946)	35,123,337	299,261,377
<b>As at 01 July 2024</b>	264,138,040	94,620,283	(59,496,946)	35,123,337	299,261,377
<b>Total comprehensive loss for the year</b>					
Profit after income taxes	-	-	(1,633,181)	(1,633,181)	(1,633,181)
Other comprehensive income after income taxes	-	-	-	-	-
	-	-	(1,633,181)	(1,633,181)	(1,633,181)
<b>Transaction with owners</b>	-	-	-	-	-
<b>As at 30 June 2025</b>	264,138,040	94,620,283	(61,130,127)	33,490,156	297,628,196

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

For Fidelity Capital Management (Private) Limited  
[The Management Company]

**Chief Executive**  
Fidelity Capital Management  
(Private) Limited

**Director**  
Fidelity Capital Management  
(Private) Limited

**Director**  
Fidelity Capital Management  
(Private) Limited

**CFO/Company Secretary**





## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

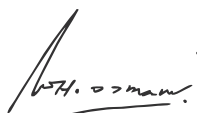
### FIRST FIDELITY LEASING MODARABA

#### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees [restated]
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	26	16,818,222	5,055,508
(Payments)/proceeds against			
Levies and taxes under ITO,2001		(5,970)	(15,780)
Purchase of ijarah assets		(18,900,000)	(3,200,000)
Disposal of ijarah assets		57,048	49,206
		(18,848,922)	(3,166,574)
Net cash (used in)/generated from operating activities		(2,030,700)	1,888,934
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,030,700)	1,888,934
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		2,066,023	177,089
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	27	35,323	2,066,023

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

For Fidelity Capital Management (Private) Limited  
[The Management Company]



Chief Executive  
Fidelity Capital Management  
(Private) Limited



Director  
Fidelity Capital Management  
(Private) Limited



Director  
Fidelity Capital Management  
(Private) Limited



CFO/Company Secretary



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

### 1 LEGAL STATUS AND OPERATIONS

First Fidelity Leasing Modaraba ['the Modaraba'] was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under and is managed by Fidelity Capital Management (Private) Limited. The Modaraba was floated on 05 December 1991 and is listed on Pakistan Stock Exchange Limited. The principal activity of Modaraba is primarily engaged in the business of ijarah, musharakah and murabahah financing, equity investment, brokerage and other related business.

#### 1.1 Location of business units

**Registered Office** Ground Floor 93, B-1 Canal Park, Gulberg-II, Lahore, Pakistan

### 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 Board as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021 for Modaraba (hereinafter referred to as the relevant laws) and directives issued by the Securities and Exchange Commission of Pakistan
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Employee retirement benefits	Present value
Other financial assets	Amortized cost

#### 2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. 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 and in any future periods affected.



### 2.3.1 Critical accounting judgements

Critical accounting judgements made by the management in the application of accounting and reporting standards that have significant effect on the financial statements are as follows:

#### (a) **Business model assessment (see note 5.1.2)**

The Modaraba classifies its financial assets on the basis of the Modaraba's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Modaraba determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Modaraba monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Modaraba's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of

#### (b) **Significant increase in credit risk (see note 5.14.1)**

Expected credit losses ('ECL') are measured, based on the Modaraba's risk grading framework, at an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Modaraba takes into account qualitative and quantitative reasonable and supportable forward-

### 2.3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

#### (a) **Calculation of impairment allowance for expected credit losses on financial assets (see note 31.1.3)**

The Modaraba recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Modaraba uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Modaraba would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. If the ECL rates on financial assets carried at amortized cost were higher (lower) by 10%, the loss allowance on those assets would have been higher (lower) by Rs. 34.745 million (30-Jun-24: Rs. 12.507 million).

#### (b) **Present value of defined benefit obligation (see note 9)**

The determination of the Modaraba defined benefit obligation depends on certain assumptions, which include selection of the discount rate, average rate of increase in salaries and mortality rates. The discount rate is set by reference to market yields at the end of the reporting period on government bonds as there is no deep market for high quality corporate bonds in Pakistan. Average rate of increase in salary are based on market expectations, inflation and historical trends. Mortality rates are based upon SLIC(2001-05) mortality table. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Modaraba financial statements within the next year.

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date has been determined by an independent actuary, Nauman Associates, Consulting Actuaries. The principal assumptions used in determining present value of defined benefit obligation are:

	30-Jun-25	30-Jun-24
Discount rate for interest cost	11.75%	14.75%
Expected rates of increase in salary	10.75%	15.25%

An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:



	30-Jun-25		30-Jun-24	
	Change in actuarial assumption	Defined benefit obligation	Change in actuarial assumption	Defined benefit obligation
Discount rate	+ 1%	357,188	+ 1%	378,033
	- 1%	409,333	- 1%	446,118
Expected rates of increase in salary	+ 1%	410,112	+ 1%	446,194
	- 1%	356,176	- 1%	377,490

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

**(c) Deferred tax on temporary differences in non-tax/levy regime (see note 24.1.1)**

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The Modaraba is subject to non-tax/levy regime whereby taxes under Income Tax Ordinance, 2001 are levied on turnover or other basis and are not based on taxable profits. Significant management judgement is required to determine whether the Modaraba is expected to be assessed in non-tax/levy regime for the foreseeable future, and the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Modaraba has net deferred tax asset of Rs. 87.79 million (30-Jun-24: net deferred tax asset of Rs. 91.3 million) as at the reporting date. However, the Modaraba has not recognised deferred tax as the Modaraba is subject to and expects to remain in non-tax/levy regime for the foreseeable future.

The Modaraba has unused tax losses amounting to Rs. 40.43 million (30-Jun-24: Rs. 32.49 million) and tax credits amounting to Rs. 0.53 million (30-Jun-24: Rs. 0.37 million) as at the reporting date. However, the Modaraba has not recognised deferred tax as the Modaraba is subject to and expects to remain in non-tax/levy regime for the foreseeable future.

Valid till	Nature	30-Jun-25	30-Jun-24
Tax Year		Rupees	Rupees
2028	Tax losses [Business]	5,955,867	5,955,867
2029	Tax losses [Business]	3,240,076	3,240,076
2030	Tax losses [Business]	16,339,651	16,339,651
Indefinite	Tax losses [Depreciation]	14,893,599	6,954,132
		40,429,193	32,489,726
2025	Tax credits	259,493	259,493
2026	Tax credits	-	-
2027	Tax credits	109,108	109,108
2028	Tax credits	165,804	-
		534,405	368,601

**(d) Provisions for levies and income taxes under Income Tax Ordinance, 2001 (see note 23 and 24)**

The Modaraba takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provisions for income taxes, levies and tax contingencies after taking into account tax credits available, rebates and exemptions, if any under the Income Tax Ordinance, 2001 [‘the Ordinance’].

The provision for levies and current tax under the Ordinance are estimated at Rs. 0.17 million (30-Jun-24: Rs. 0.14 million) and Rs. nil million (30-Jun-24: Rs. nil million) respectively. The management believes that the provision for levies and current tax made in the financial statements is sufficient to discharge related liabilities under the Ordinance.

## 2.4 Functional currency

These financial statements have been presented in Pak Rupees which is the Modaraba's functional currency. The amounts reported in these financial statements have been rounded to the nearest Rupee unless specified otherwise.

**2.5 Date of authorization for issue**

These financial statements have been approved by the Board of Directors of the Modaraba Management Modaraba and authorized for issue on 05 November 2025.

**3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.**

The following new and revised International Financial Reporting Standards [IFRS] and International Accounting Standards [IAS], interpretations of and amendments to IFRS and IAS are effective in the current period but are either not relevant to the Modaraba or their application does not have any material impact on the financial statements of the Modaraba other than presentation and disclosures, except as stated otherwise.

**3.1 Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)**

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

**3.2 Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)**

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

**3.3 Non-current Liabilities with Covenants (Amendments to IAS 1)**

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

**3.4 Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)**

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

**4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.**

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Modaraba.

	<b>Effective date (annual periods beginning on or after)</b>
Lack of Exchangeability (Amendments to IAS 21)	01 January 2025
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 July 2025
IFRS S2 Climate-related Disclosures	01 July 2025
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	01 January 2026
Amendments IFRS 9 and IFRS 7 regarding the power purchase agreements	01 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	01 January 2026
IFRS 17 Insurance Contracts	01 January 2027

Other than aforementioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan for adoption.

- 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

The Modaraba intends to adopt these new standards on their effective dates, subject to notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Modaraba interim financial statements other than in presentation/disclosures.



## 5 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 5.1 Financial instruments

#### 5.1.1 Recognition

A financial instrument is recognized when the Modaraba becomes a party to the contractual provisions of the instrument.

#### 5.1.2 Classification

The Modaraba classifies its financial assets on the basis of the Modaraba's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in accordance with the substance of contractual provisions. The Modaraba determines the classification of its financial instruments at initial

##### (a) *Financial assets at amortized cost*

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

##### (b) *Financial assets at fair value through other comprehensive income ['fair value through OCI']*

These are:

- (i) financial assets held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- (ii) investments in equity instruments, that are not held for trading nor contingent consideration recognized by the Modaraba as acquirer in a business combination, for which the Modaraba makes an irrevocable election at initial recognition to present changes in fair value on subsequent measurement in other comprehensive income.

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

These are financial assets which have not been classified as 'financial assets at amortized cost' or as 'financial assets at fair value through other comprehensive income', are mandatorily measured at fair value through profit or loss or for which the Modaraba makes an irrevocable election at initial recognition to designate as 'financial asset at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

##### (d) *Financial liabilities at amortized cost*

These are financial liabilities which are not derivatives, financial guarantee contracts, commitments to provide loans at below-market interest rate, contingent consideration payable to an acquirer in a business combination or financial liabilities that arise when transfer of a financial asset does not qualify for derecognition.

##### (e) *Financial liabilities at fair value through profit or loss*

These are financial liabilities which have not been classified as 'financial liabilities at amortized cost' or for which the Modaraba makes an irrevocable election at initial recognition to designate as 'financial liabilities at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

#### 5.1.3 Measurement

Measurement methods adopted are explained in individual policy statements associated with each financial instrument.

#### 5.1.4 De-recognition

A financial asset is derecognized when the Modaraba's contractual rights to the cash flows from the financial assets expire or when the Modaraba transfers the financial asset to another party without retaining control of substantially all risks and rewards of the financial asset. A financial liability is derecognized when the Modaraba's obligations specified in the contract expire or a discharged or cancelled.

#### 5.1.5 Off-setting

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



#### 5.1.6 Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

#### 5.2 Certificate capital

Certificate capital is recognized as equity. Incremental costs directly attributable to the issue of certificates are recognized as deduction from the equity.

#### 5.3 Accrued and other liabilities

##### 5.3.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

##### 5.3.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at fair value, which is normally the transaction cost.

#### 5.4 Provisions and contingencies

Provisions are recognized when the Modaraba has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the

#### 5.5 Property and equipment

Property and equipment assets, held for use in the supply of services or for administrative purposes, are stated in the statement of financial position at their cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized in profit or loss, using rates specified in note 12.1, so as to write off the cost of assets over their useful lives, using the straight line method, with the exception of right-of-use assets, for which the lease does not transfer ownership of the underlying asset to the Modaraba at the end of lease term, which are depreciated over the shorter of lease term and useful lives of the underlying assets, using straight line method. Depreciation commences from the month in which the item is ready for intended use and is discontinued from the month in which the asset is disposed or classified as held for

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

A property and equipment asset is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of such assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

#### 5.6 Membership assets

These are stated at cost less accumulated impairment losses, if any.

#### 5.7 Ijarah rentals and murabahah finance receivables

Ijarah rentals and murabahah finance receivables are classified as 'loans and receivables' and are stated net off provision and suspense income. Provision is recognised in accordance with the Prudential Regulations for Modarabas.

#### 5.8 Murabaha investments

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





## **5.9 Advances and other receivables**

### **5.9.1 Financial assets**

These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost less accumulated impairment losses. Amortized cost is measured using the effective interest method, with interest recognized in profit or loss.

### **5.9.2 Non-financial assets**

These, on initial recognition, are measured at cost. Subsequent to initial recognition, these are measured at cost less accumulated amortization.

### **5.10 Assets leased out under ijarah contracts**

Assets leased out are stated at cost less accumulated depreciation. Depreciation is recognized in profit or loss over shorter of ijarah (lease) term or useful life by applying straight line method. In respect of additions and sales/transfers during the year, depreciation is charged proportionately to the period of ijarah (lease).

### **5.11 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash in hand and cash at bank. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and bank balances.

### **5.12 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, net of returns allowances, trade discounts and rebates, and represents amounts received or receivable for goods and services provided and other operating income earned in the normal course of business. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Modaraba, and the amount of revenue and the associated costs incurred or to be incurred

Revenue from different sources is recognized as follows:

- (i) Ijarah rentals are recognized over the period of lease as and when the related rentals become due.
- (ii) Profit on murabahah and musharaka finances is recognized on time proportion basis as and when accrued.
- (iii) Return on saving accounts is recognized on time proportion basis as and when accrued.

### **5.13 Employee benefits**

#### **5.13.1 Short-term employee benefits**

The Modaraba recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of services or property and equipment as permitted or required by the approved accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

#### **5.13.2 Post-employment benefits**

The Modaraba operates a unfunded leave encashment scheme (defined benefit plan) for all its employees. Under the scheme, the Modaraba pays a lump-sum benefit as leave encashment for unutilized privilege leaves accrued upto the end of service, subject to the maximum permissible accumulation of 90 days. The scheme is administered by the management of the Modaraba under the supervision and directions of the Board of Directors of the Management Company. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss. The amount recognized on statement of financial position represents the present value of defined benefit obligation which is measured at present value

### **5.14 Impairment**

#### **5.14.1 Financial assets**

The Modaraba recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset.

When measuring expected credit losses on financial assets the Modaraba uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Modaraba would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.





Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of long term loans and mark-up receivable thereon, for which the Modaraba recognizes impairment allowance based on time-based criteria and for lease receivables, for which the Modaraba recognizes lifetime expected credit losses estimated using internal credit risk grading based on the Modaraba's historical credit loss experience.

All impairment losses are recognized in statement of income and expenditure. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

The Modaraba writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or loss.

#### **5.14.2 Non-financial assets**

The carrying amount of the Modaraba's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro-rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been

#### **5.15 Income tax**

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

##### **5.15.1 Current taxation**

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an

##### **5.15.2 Deferred taxation**

Deferred tax is accounted for by providing for temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for tax purposes. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which

#### **5.16 Earnings per certificate ['EPC']**

Basic EPC is calculated by dividing the profit or loss attributable to ordinary shareholders of the Modaraba by the weighted average number of ordinary shares outstanding during the year.

Diluted earning per certificate is calculated by adjusting basic EPC by the weighted average number of certificates that would be issued on conversion of all dilutive potential certificates into certificates and post-tax effect of changes in profit or loss attributable to certificate holders of the modaraba that would result from conversion of all dilutive potential certificates into

#### **5.17 Comprehensive income**

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by accounting and reporting standards as applicable in Pakistan, and is presented in 'statement of comprehensive income'.



## 5.18 Profit distribution to ordinary certificate holders

Profit distribution to certificate holders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed/unpaid, in the Modaraba's financial statements in the year in which the dividends are approved by the Modaraba shareholders.

## 5.19 Fair value measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Modaraba has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Modaraba accounting policies and disclosures require the measurement of fair values.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Modaraba determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When one is available, the Modaraba measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Modaraba uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Modaraba measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Modaraba recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 5.20 Segment reporting

Segment reporting is based on the operating segments that are reported in the manner consistent with internal reporting of the Modaraba. 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. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly other income and expenses, and provision for statutory levies and taxes.



		30-Jun-25	30-Jun-24
		<i>Rupees</i>	<i>Rupees</i>
<b>6</b>	<b>AUTHORIZED CERTIFICATE CAPITAL</b>		
	62,500,000 (30-Jun-24: 62,500,000) certificates of Rs. 10 each	<b>625,000,000</b>	625,000,000
<b>7</b>	<b>ISSUED CERTIFICATE CAPITAL</b>		
	16,656,491 (30-Jun-24: 16,656,491) certificates issued for cash	<b>166,564,910</b>	166,564,910
	3,976,908 (30-Jun-24: 3,976,908) certificates issued as fully paid bonus certificates	<b>39,769,080</b>	39,769,080
	5,780,405 (30-Jun-24: 5,780,405) certificates issued on amalgamation	<b>57,804,050</b>	57,804,050
		<b>264,138,040</b>	264,138,040
<b>8</b>	<b>SECURITY DEPOSITS</b>		
	Deposits against ijarah contracts	<b>4,292,800</b>	5,770,457
	Current maturity presented under current liabilities	<b>(3,222,800)</b>	(3,888,957)
		<b>1,070,000</b>	1,881,500
<b>9</b>	<b>EMPLOYEES RETIREMENT BENEFITS</b>		
	The Modaraba operates a leave encashment facility for all of its employees as a defined benefit plan. Under the scheme, the Modaraba pays lump-sum benefits as leave encashment for unutilized privilege leaves accrued upto the end of service, subject to the maximum permissible accumulation of 90 days. The scheme is administered by the management of the Modaraba under the supervision and directions of the Board of Directors of the Management Company. The amount recognized on statement of financial position represents present value of defined benefit obligation.		
		<i>Note</i>	
		<b>30-Jun-25</b>	<b>30-Jun-24</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>9.1</b>	<b>Movement in present value of defined benefit obligation</b>		
	As at beginning of the year	<b>531,979</b>	528,050
	Charged to profit or loss for the year	9.2 <b>(28,167)</b>	3,929
		<b>503,812</b>	531,979
	Benefits due but not paid	10.1 <b>(122,000)</b>	(122,000)
	As at end of the year	<b>381,812</b>	409,979
<b>9.2</b>	<b>Charge to profit or loss</b>		
	Current service cost	<b>52,599</b>	60,099
	Interest cost	<b>60,472</b>	65,983
	Remeasurements recognized in other comprehensive income	<b>(141,238)</b>	(122,153)
		<b>(28,167)</b>	3,929
<b>9.3</b>	<b>Remeasurements recognized in other comprehensive income</b>		
	Actuarial gain arising from:		
	Changes in financial assumptions	-	-
	Experience adjustments	<b>141,238</b>	122,153
		<b>141,238</b>	122,153
<b>9.4</b>	<b>Average duration of the defined benefit obligation</b>		
	The average duration of the defined benefit obligation is 6.8 years (30-Jun-24: 8.3 years).		
<b>9.5</b>	<b>Risk factors</b>		
	The defined benefit plan exposes the Modaraba to the following actuarial risks:		
	<b>Salary risk:</b> The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, which will closely reflect inflation and other macroeconomic factors, the benefit amount increases as salary increases.		
	<b>Mortality risk:</b> The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on higher side.		
	<b>Withdrawal risk:</b> The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, services and the entitled benefits of the beneficiary.		



	<i>Note</i>	<b>30-Jun-25</b>	<b>30-Jun-24</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>10 ACCRUED AND OTHER LIABILITIES</b>			
Advance ijarah rentals		<b>226,189</b>	148,395
Accrued liabilities	10.1	<b>14,177,269</b>	8,649,630
Employees' provident fund		<b>173,511</b>	198,516
Workers' Welfare Fund		<b>177,149</b>	177,149
Levies payable	10.2	<b>306,824</b>	141,020
Withholding tax payable		<b>1,212,132</b>	1,218,102
		<b>16,273,074</b>	10,532,812

- 10.1** This includes charity payable amounting to Rs. 745,645 (30-Jun-24: Rs. 745,645) and employees retirement benefits amounting to Rs. 122,000 (30-Jun-24: Rs. 122,000) due but unpaid as at the reporting date.

	<i>Note</i>	<b>30-Jun-25</b>	<b>30-Jun-24</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>10.2 Levies payable</b>			<i>[restated]</i>
As at beginning of the year		<b>141,020</b>	214,457
Charged to profit or loss for the year	23	<b>165,804</b>	(73,302)
Paid/adjusted during the year		-	(135)
		<b>306,824</b>	141,020

## **11 CONTINGENCIES AND COMMITMENTS**

### **11.1 Contingencies**

- 11.1.1** As mentioned in note 16.2, the Modaraba has filed recovery suits against Enplan(Private) Limited for Rs. 355 million. Enplan (Private) Limited has also filed a counter suit against the Modaraba for recovery of alleged losses and damages to the tune of Rs. 2.86 billion which has been dismissed. These suits and complaints are pending for hearing before the appropriate judicial/appellate authorities. On the basis of opinion of the Modaraba's legal counsel, the management is confident that the case will be decided in the favour of the Modaraba. No hearing was held during the year; although hearings were scheduled multiple times, they were adjourned every time and were rescheduled for future dates. Based on information available as at the reporting date, no adjustment to the financial statements is required.

### **11.2 Commitments**

There is no material commitments as at the reporting date.

	<i>Note</i>	<b>30-Jun-25</b>	<b>30-Jun-24</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>12 PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	12.1	<b>77,974</b>	95,928
Capital work in progress	12.2	<b>224,000,000</b>	224,000,000
		<b>224,077,974</b>	224,095,928



	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
<b>12.2 Capital work in progress</b>			
Advance against ground floor Corporate Tower, Lahore	12.2.1	204,000,000	204,000,000
Advance against purchase of property	12.2.2	4,500,000	4,500,000
Villas in Murree	12.2.3	20,000,000	20,000,000
		<b>228,500,000</b>	228,500,000
Accumulated impairment allowance		<b>(4,500,000)</b>	(4,500,000)
As at end of the period/year		<b>224,000,000</b>	224,000,000

**12.2.1** This represents advance against purchase of ground floor, measuring 10,221 square feet, in the under construction Corporate Tower [the 'Tower'] in Garden Town, Lahore. This advance was created as a result of a settlement and swap agreement for amounts availed by a client, Enplan (Private) Limited under musharakah arrangements. Under these arrangements, Enplan (Private) Limited had availed Rs. 99 million from the Moradaba (inclusive of principal and profit) as well as Rs. 105 million from another financial institution, namely, Trust Investment Bank Limited. Later on, through settlement agreement dated 28 June 2012, the Moradaba took over the exposure of finance facilities provided by Trust Investment Bank Limited.

On 29 June 2012, the Moradaba entered into an agreement with Enplan (Private) Limited to sell and buy back the ground floor of the Tower. According to the terms of agreement, Enplan (Private) Limited had to complete the ground floor of the Tower within 18 months of the date of agreement. The Moradaba is also entitled to have the sale deed of the Floor executed in its name and it has constructive possession of the property. If the floor is not purchased by Enplan (Private) Limited within required time, the Moradaba has a right to sell the floor to any third party. Enplan (Private) Limited also has an option to repurchase the floor after the said period of 18 months at an agreed price of Rs. 204 million plus profit of 15% per annum for the period from the date of the agreement till the actual settlement. The Moradaba has created an equitable and a registered mortgage over the property of the Tower. Further, as indicated in note 16.2, the Moradaba has also extended murabahah facilities of Rs. 35 million to Enplan (Private) Limited as per agreed terms for completion of the Tower. These facilities are also secured against equitable and registered mortgage over the property of the Tower.

The agreed work of construction of ground floor of the Tower did not commence and the work was stalled at plinth level. The Modaraba has filed recovery suits for amounts aggregating to Rs. 417 million before Banking Court / Modaraba Tribunal / Lahore High Court against Enplan (Private) Limited. The Modaraba has also filed criminal complaint against the directors of Enplan (Private) Limited for prosecution against criminal misrepresentation and breach of trust. These suits are pending adjudication as at the reporting date.

**12.2.2** This represents advance to Rahman Construction Company against purchase and construction of property. The management has recognized impairment allowance against this advance during the previous years as the counter-party has failed to discharge its obligations and chances of recovery of these advance are remote.

**12.2.3** This represents property under construction comprising land measuring 1 kanal and 8 marlas, situated in Murree. Most recent valuation of this property was carried out by an independent valuer, Madadgar, in September 2022, whereby its fair value was estimated at Rs. 33.8 million and forced sale value at Rs. 28.7 million.



## 12.1 Operating fixed assets

	30-Jun-25									
	COST			DEPRECIATION			Net book			
	As at 01-Jul-24 Rupees	Additions Rupees	Disposals Rupees	As at 30-Jun-25 Rupees	Rate %	As at 01-Jul-24 Rupees	For the year Rupees	Disposals Rupees	As at 30-Jun-25 Rupees	value as at 30-Jun-25 Rupees
Furniture and fixtures	311,098	-	-	311,098	10	311,098	-	-	311,098	-
Computers and office equipment	376,749	-	-	376,749	10-33	280,821	17,954	-	298,775	77,974
	687,847	-	-	687,847		591,919	17,954	-	609,873	77,974
	30-Jun-24									
	COST			DEPRECIATION			Net book			
	As at 01-Jul-23 Rupees	Additions Rupees	Disposals Rupees	As at 30-Jun-24 Rupees	Rate %	As at 01-Jul-23 Rupees	For the year Rupees	Disposals Rupees	As at 30-Jun-24 Rupees	value as at 30-Jun-24 Rupees
Furniture and fixtures	311,098	-	-	311,098	10	309,838	1,260	-	311,098	-
Computers and office equipment	376,749	-	-	376,749	10-33	243,536	37,285	-	280,821	95,928
	687,847	-	-	687,847		553,374	38,545	-	591,919	95,928

12.1.1 Operating fixed assets contains fully depreciated assets of Rs. 546,847 (30-Jun-24; 467,910) which are still in use of the Modaraba.



### 13 ASSETS LEASED OUT UNDER IJARAH CONTRACTS

	30-Jun-25						Net book value as at 30-Jun-25 Rupees		
	COST								
	As at 01-Jul-24 Rupees	Additions Rupees	Disposals Rupees	As at 30-Jun-25 Rupees	As at 01-Jul-24 Rupees	For the year Rupees			
Machinery	5,788,000	18,900,000	(3,430,000)	21,258,000	4,830,417	3,607,059	(3,172,988)	5,264,488	15,993,512
Office equipment	228,999	-	(228,999)	-	208,342	-	(208,342)	-	-
Vehicles	36,894,750	-	(3,350,000)	33,544,750	18,441,817	5,378,215	(2,110,000)	21,710,032	11,834,718
	42,911,749	18,900,000	(7,008,999)	54,802,750	23,480,576	8,985,274	(5,491,330)	26,974,520	27,828,230
	30-Jun-24 [restated]								
	COST						Net book value as at 30-Jun-24 Rupees		
	As at 01-Jul-23 Rupees	Additions Rupees	Disposals Rupees	As at 30-Jun-24 Rupees	As at 01-Jul-23 Rupees	For the year Rupees			
	Disposals Rupees	As at 30-Jun-24 Rupees	As at 01-Jul-23 Rupees	For the year Rupees	Disposals Rupees	As at 30-Jun-24 Rupees			
Machinery	6,038,000	-	(250,000)	5,788,000	4,683,876	351,541	(205,000)	4,830,417	957,583
Office equipment	228,999	-	-	228,999	208,342	-	-	208,342	20,657
Vehicles	44,873,388	3,200,000	(11,178,638)	36,894,750	21,370,854	5,638,345	(8,567,382)	18,441,817	18,452,933
	51,140,387	3,200,000	(11,428,638)	42,911,749	26,263,072	5,989,886	(8,772,382)	23,480,576	19,431,173

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

13.2 The Modaraba has entered into various ijarah contracts for periods ranging from 1 to 7 years (30-Jun-24: 1 to 7 years). The rate of profit implicit in ijarah rentals at 13% (30-Jun-24: 13% to 27%) per annum.



## 13.3 Disposal of assets leased out under ijarah contracts

30-Jun-25

	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain on disposal Rupees	Mode of disposal	Particulars of buyer
<b>Machinery</b>							
Generator	500,000	500,000	-	-	-	Maturity	Najeeb Ahmed, Lahore.
Generator	1,100,000	990,000	110,000	110,000	-	Maturity	Fakhar Un Nisa, Lahore.
Machine shaper	170,000	153,000	17,000	17,000	-	Maturity	Robert Bhatti, Lahore.
Generator	250,000	250,000	-	-	-	Maturity	Shehbaz Fazal, Lahore.
Generator	1,150,000	1,120,000	30,000	30,000	-	Maturity	Mohammad Younas Choudhry, Lahore.
Lift machine	260,000	159,988	100,012	117,048	17,036	Pre-matured	Sami Ullah, Lahore.
	3,430,000	3,172,988	257,012	274,048	17,036		
<b>Office equipment</b>							
	208,342						
Computer	64,000	57,142	6,858	6,858	-	Maturity	Robeena Yasmeen, Lahore.
Laptop	164,999	151,200	13,799	13,799	-	Maturity	Ali Raza, Lahore.
	228,999	208,342	20,657	20,657	-		
<b>Vehicles</b>							
Honda City	1,450,000	1,160,000	290,000	290,000	-	Maturity	Allah Yar, Lahore.
Toyota Corolla	1,900,000	950,000	950,000	950,000	-	Maturity	Nadia Iqbal, Lahore.
	3,350,000	2,110,000	1,240,000	1,240,000	-		
	7,008,999	5,491,330	1,517,669	1,534,705	17,036		

30-Jun-24

	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain on disposal Rupees	Mode of disposal	Particulars of buyer
<b>Machinery</b>							
Machinery	250,000	205,000	45,000	45,000	-	Matured	Mohammad Musa Raza, Lahore.
	250,000	205,000	45,000	45,000	-		
<b>Vehicles</b>							
Motor vehicle	1,107,750	886,200	221,550	221,550	-	Matured	Abdul Rasheed, Multan.
Motor vehicle	1,107,750	886,200	221,550	221,550	-	Matured	Ch Muhammad Aslam, Lahore.
Motor vehicle	275,000	234,000	41,000	41,000	-	Matured	Syed Abdul Samad, Lahore.
Motor vehicle	491,638	331,138	160,500	160,500	-	Matured	Syed Mohsin Raza, Lahore.
Motor vehicle	3,700,000	2,500,000	1,200,000	1,200,000	-	Matured	Raza ul Haq, Multan.
Motor vehicle	1,250,000	1,110,794	139,206	139,206	-	Pre-matured	Mohammad Musa Raza, Lahore.
Motor vehicle	3,028,000	2,422,400	605,600	605,600	-	Matured	Aqeel Nisar, Gujrat.
Motor vehicle	168,500	151,650	16,850	16,850	-	Matured	Tauqeer Hamid, Kasur.
Motor vehicle	50,000	45,000	5,000	5,000	-	Matured	Ghulam Hussain, Lahore.
	11,178,638	8,567,382	2,611,256	2,611,256	-		
	11,428,638	8,772,382	2,656,256	2,656,256	-		





		30-Jun-25 Rupees	30-Jun-24 Rupees
<b>14</b>	<b>MEMBERSHIP ASSETS</b>		
	Membership of Pakistan Mercantile Exchange Limited	1,010,000	1,010,000
	Advance for room at Pakistan Mercantile Exchange Limited	2,500,000	2,500,000
		<b>3,510,000</b>	<b>3,510,000</b>
<b>15</b>	<b>LONG TERM DEPOSITS</b>		
	This represents deposit held with Central Depository Company. These are classified as 'financial assets at amortized cost' under IFRS9 which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.		
	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
<b>16</b>	<b>INVESTMENTS UNDER MURABAHAH ARRANGEMENTS</b>		
	Considered good	16.1 30,652,774	40,700,000
	Considered doubtful	16.2 229,672,494	230,497,231
		<b>260,325,268</b>	<b>271,197,231</b>
	Impairment allowance for expected credit losses	16.3 (194,672,494)	(198,855,981)
		<b>65,652,774</b>	<b>72,341,250</b>
<b>16.1</b>	The Modaraba has sold goods to Murabaha customers with appropriate profit margins under Murabaha arrangements whereby payment is deferred over the timeperiod agreed with customers. These finances are secured against mortgage of properties, demand promissory notes and personal guarantees. These carries profit margin on murabahah investments at 14% (30-Jun-24: 13% to 14%) per annum.		
<b>16.2</b>	This includes receivable amounting to Rs. 32.357 million (30-Jun-24: Rs. 35 million) which was given to Enplan (Private) Limited against Murabahah facility for the construction material under the terms of settlement agreement dated 01 April 2011. It is secured against equitable as well as registered mortgage over land and building thereon measuring 4 kanals and 1 marla. It carried profit at 12.98% per annum. The Modaraba has filed a suit before Modaraba Tribunal / Banking Court Lahore for recovery of murabaha receivable along with cost of funds amounting to Rs. 62.11 million as at 12 March 2018. The same was decreed in the favour of Modaraba by the Court vide order dated 03 February 2022 to the extent of Rs. 43.77 million along with cost of funds. The valuer was appointed for the execution of decree on 17 March 2022 by the Court to get fresh valuation of the mortgaged property. Valuation was carried out by A.S Consultants according to whom the forced sale value of the property was estimated at Rs. 558.79 million on 04 April 2022. Auction of the property was approved by the Court and was scheduled to be held on 20 June 2022. However, at the date of auction Enplan (Private) Limited filed request for appeal 13776/2022 in Lahore High Court (LHC) and requested for stay order which was granted subject to the deposit of bank guarantee or an amount equal to 50% of decretal amount. Enplan (Private) Limited deposited a pay order in LHC for the 50%		
	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
<b>16.3</b>	<b>Impairment allowance for expected credit losses</b>		
	As at beginning of the year	198,855,981	192,754,231
	Recognized during the year	-	6,101,750
	Reversed during the year	(3,633,487)	-
	Written off during the year	(550,000)	-
	As at end of the year	<b>194,672,494</b>	<b>198,855,981</b>
<b>17</b>	<b>IJARAH RENTALS RECEIVABLE</b>		
	Considered good	11,255,456	10,321,840
	Considered doubtful	44,645,675	44,130,236
		<b>55,901,131</b>	<b>54,452,076</b>
	Impairment allowance for expected credit losses	17.3 (42,643,931)	(44,130,236)
		<b>13,257,200</b>	<b>10,321,840</b>



**17.1** Ijarah rentals receivables are secured against ijarah assets, mortgaged properties. The Modaraba is entitled to repossess and sell the ijarah assets in case of default by the customers.

**17.2** Ijarah rental receivables include balance receivable of Rs. nil (30-Jun-24: Rs. 80,638) against ijarah facilities of Rs. 1.48 million (30-Jun-24: Rs. 2.62 million) extended to employees. Maximum aggregate amount outstanding at any time during the year is of Rs. nil (30-Jun-24: Rs. 361,855).

	<i>Note</i>	<b>30-Jun-25</b>	<b>30-Jun-24</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>17.3 Impairment allowance for expected credit losses</b>			
As at beginning of the year		<b>44,130,236</b>	40,561,895
Recognized during the year		<b>4,672,561</b>	4,644,530
Reversed during the year		<b>(4,496,997)</b>	(1,076,189)
Written off during the year		<b>(1,661,869)</b>	-
		<b>42,643,931</b>	44,130,236

**17.4 Future ijarah rental receivable**

Not later than one year		<b>11,606,023</b>	7,806,040
Later than one year but not later than five years		<b>17,119,855</b>	21,806,940
		<b>28,725,878</b>	29,612,980

**18 PROFIT RECEIVABLE ON MURABAHA INVESTMENTS**

Gross amount due		<b>12,340,437</b>	21,486,354
Impairment allowance for expected credit losses	<i>18.1</i>	<b>(12,340,437)</b>	(21,486,354)
		-	-

**18.1 Impairment allowance for expected credit losses**

As at beginning of the year		<b>21,486,354</b>	19,808,177
Recognized during the year		-	1,678,177
Reversed during the year		<b>(1,212,967)</b>	-
Written off during the year		<b>(7,932,950)</b>	-
As at end of the year		<b>12,340,437</b>	21,486,354

**19 ADVANCES AND OTHER RECEIVABLES**

Advances to employees	<i>19.1</i>	-	-
Receivable from clients	<i>19.2</i>	-	-
Receivable from Hajveri Modaraba Management Company (Private) Limited	<i>19.3</i>	-	-
Receivable against sale of certificates	<i>19.4</i>	-	-
Other receivables	<i>19.5</i>	-	-
		-	-

**19.1 Advances to employees**

Advances to employees		<b>555,355</b>	555,355
Loan to employees	<i>19.1.1</i>	<b>120,986</b>	339,169
		<b>676,341</b>	894,524
Impairment allowance for expected credit losses	<i>19.1.2</i>	<b>(676,341)</b>	(894,524)
		-	-

**19.1.1** This represents loan to employees for personal purposes as per the Modaraba's policy and carry profit at 5% per annum.

	<i>Note</i>	<b>30-Jun-25</b>	<b>30-Jun-24</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>19.1.2 Impairment allowance for expected credit losses</b>			
As at beginning of the year		<b>894,524</b>	-
Recognized during the year		-	894,524
Reversed during the year		<b>(218,183)</b>	-
As at end of the year		<b>676,341</b>	894,524



## 19.2 Receivable from clients

Gross amount receivable	19.2.1	16,869,630	16,869,630
Impairment allowance for expected credit losses	19.2.2	(16,869,630)	(16,869,630)
		-	-

**19.2.1** These balances represent receivables from brokerage clients that are secured against lien on respective listed shares of the clients in CDC system and a piece of mortgaged land. Owing to slim chances of recovery, receivables have been provided.

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
<b>19.2.2 Impairment allowance for expected credit losses</b>			
As at the beginning of the year		16,869,630	11,148,250
Recognized during the year		-	5,721,380
		16,869,630	16,869,630

## 19.3 Receivable from Hajveri Modaraba Management Company (Private) Limited

Gross amount due	19.3.1	2,905,482	2,905,482
Diminution in the value of certificates held as security		(1,396,795)	(1,396,795)
Transferred to receivable from other shareholder		(1,508,687)	(1,508,687)
		-	-

**19.3.1** This represents amount withdrawn by Hajveri Modaraba Management Company (Private) Limited [the previous management Company] of First Hajveri Modaraba [FHM] from time to time during prior years out of FHM's fund on account of remuneration in violation of Section 18 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

During the process of amalgamation with the previous management company, 2,053,200 certificates of erstwhile First Hajveri Modaraba were acquired by the Management Company against the above receivables. Such certificates were then converted into 578,041 certificates of this Modaraba. The Management Company intended to apply the sales proceeds of these certificates to settle the receivable. An application to this effect is pending with Lahore High Court. During the year ended 30 June 2022, the Modaraba entered into a tri-party agreement, whereby the Management Company of the Modaraba had agreed to sell these certificates to an existing certificate holder for a consideration of Rs. 2.47 million whereby the sale proceeds would be transferred to the Modaraba and adjusted against the above mentioned receivables. The Modaraba received post dated cheques of Rs. 2.47 million against these receivables. The certificates shall be transferred to the buyer after the total consideration has been received. However, this sale of certificates could not take place and resultantly the management has restated the dividend payable and written off this amount entirely.

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
<b>19.4 Receivable against sale of certificates</b>			
Gross amount due		1,073,937	1,073,937
Impairment allowance for expected credit losses	19.4.1	(1,073,937)	(1,073,937)
		-	-

### 19.4.1 Impairment allowance for expected credit losses

As at the beginning of the year		1,073,937	1,073,937
Recognized during the year		-	-
		1,073,937	1,073,937
	Note	30-Jun-25 Rupees	30-Jun-24 Rupees

## 19.5 Other receivables

Gross amount due	19.5.1	216,157	6,216,553
Impairment allowance for expected credit losses	19.5.2	(216,157)	(6,216,553)
		-	-



**19.5.1** This includes the amount of Rs. nil (30-Jun-24: Rs. 5.333 million) receivable from the Management Company against share in rent. Owing to remote chances of recovery, the outstanding receivables from Management Company against rent have been written-off during the year.

	<i>Note</i>	<b>30-Jun-25</b>	<b>30-Jun-24</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>19.5.2 Impairment allowance for expected credit losses</b>			
As at beginning of the year		<b>6,216,553</b>	5,552,630
Recognized during the year		-	663,923
Reversed during the year		<b>(608,998)</b>	-
Written off during the year		<b>(5,391,398)</b>	-
As at end of the year		<b>216,157</b>	6,216,553

## 20 BANK BALANCES

Current accounts - <i>local currency</i>		<b>15,389</b>	47,462
Saving accounts - <i>local currency</i>	<i>20.1</i>	<b>19,934</b>	2,018,561
		<b>35,323</b>	2,066,023

**20.1** These carry return at rates ranging from 5.87% to 19% per annum (30-Jun-24: 10% to 17% per annum).

	<i>Note</i>	<b>30-Jun-25</b>	<b>30-Jun-24</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>21 OTHER INCOME</b>			
<b>Gain on financial instruments</b>			
Return on bank deposits		<b>31,050</b>	15,376
Markup on loans to employees		<b>5,677</b>	4,280
		<b>36,727</b>	19,656
<b>Others</b>			
Gain on disposal of ijarah assets	<i>13.3</i>	<b>17,036</b>	-
Miscellaneous income		-	36,000
		<b>17,036</b>	36,000
		<b>53,763</b>	55,656

	<i>Note</i>	<b>30-Jun-25</b>	<b>30-Jun-24</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>22 ADMINISTRATIVE AND GENERAL EXPENSES</b>			<i>[restated]</i>
Salaries and benefits	<i>22.1</i>	<b>6,363,888</b>	6,909,421
Rent, rates and taxes		<b>1,380,567</b>	-
Utilities		<b>401,186</b>	502,508
Repairs and maintenance		<b>100,800</b>	43,750
Printing and stationery		<b>238,407</b>	169,851
Communication		<b>131,685</b>	183,558
Travelling and conveyance		<b>63,240</b>	89,100
Legal and professional charges		<b>634,000</b>	841,187
Fees and subscription		<b>675,775</b>	688,950
Entertainment		<b>32,249</b>	38,144
Balances written off		-	61,700
Auditors' remuneration	<i>22.2</i>	<b>595,000</b>	592,300
Depreciation on property and equipment	<i>12.1</i>	<b>17,954</b>	38,545
Miscellaneous		<b>22,080</b>	13,738
		<b>10,656,831</b>	10,172,752

**22.1** These include credit (30-Jun-24: charge) in respect of employees retirement benefits amounting to Rs. 28,167 (30-Jun-24: Rs 3,929) and contribution to provident fund amounting to Rs. 192,003 (30-Jun-24: Rs. 204,902).



	<i>Note</i>	<b>30-Jun-25</b>	30-Jun-24
		<i>Rupees</i>	<i>Rupees</i>
<b>22.2 Auditors' remuneration</b>			
Annual statutory audit		<b>315,000</b>	315,000
Limited scope review		<b>135,000</b>	132,300
Review report on corporate governance		<b>105,000</b>	105,000
Out of pocket expenses		<b>40,000</b>	40,000
		<b>595,000</b>	592,300
		<b>30-Jun-25</b>	30-Jun-24
		<i>Rupees</i>	<i>Rupees</i>
			<i>[restated]</i>
<b>23 PROVISION FOR LEVIES</b>			
Levies under Income Tax Ordinance, 2001			
Current year	23.1	<b>165,804</b>	141,020
Prior year		-	(214,322)
		<b>165,804</b>	(73,302)
<b>23.1</b>	Levies under Income Tax Ordinance, 2001 ['the Ordinance'] have been recognized under section 113 (30-Jun-24: section 113) of the Ordinance.		
	<i>Note</i>	<b>30-Jun-25</b>	30-Jun-24
		<i>Rupees</i>	<i>Rupees</i>
<b>24 PROVISION FOR INCOME TAXES</b>			
Current taxation	24.1	-	-
Deferred taxation	24.2	-	-
		-	-
<b>24.1</b>	No provision for current tax has been recognized as the Company is subject to non-tax/levy regime. Estimated liability payable with return of income to be filed under section 114 of the Ordinance, subject to adjustment of taxes and levies paid/deducted in advance and available refunds, comprises the follows:		
	<i>Note</i>	<b>30-Jun-25</b>	30-Jun-24
		<i>Rupees</i>	<i>Rupees</i>
Levies	23	<b>165,804</b>	141,020
Income taxes	24	-	-
		<b>165,804</b>	141,020
<b>24.1.1</b>	The income tax assessments of the Company up to and including tax year 2023 have been completed by the concerned income tax authorities or are deemed to have been so completed under the provisions of section 120 of the Ordinance.		
<b>24.2</b>	No provision for deferred tax has been recognized as the Company is subject to non-tax/levy regime. See note 2.3.2(c).		
	<i>Unit</i>	<b>30-Jun-25</b>	30-Jun-24
<b>25 BASIC LOSS PER CERTIFICATE</b>			
Loss attributable to certificate holders	<i>Rupees</i>	<b>(1,633,181)</b>	(23,260,967)
Weighted average number of certificates outstanding during the year	<i>No. of certificates</i>	<b>26,413,804</b>	26,413,804
Basic loss per certificate	<i>Rupees</i>	<b>(0.06)</b>	(0.88)



	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
<b>26 CASH GENERATED FROM OPERATIONS</b>			
Loss before income tax		(1,633,181)	(23,260,967)
<b>Adjustments for non-cash and other items</b>			
Amortization of assets leased out under ijarah contracts		8,985,274	5,989,886
Depreciation on property and equipment		17,954	38,545
Gain on disposal of assets leased out under ijarah contracts		(17,036)	-
Impairment (reversals)/allowance for expected credit losses		(5,498,071)	18,628,095
(Credit)/provision for employees retirement benefits		(28,167)	3,929
Provision/(credit) for statutory levies		165,804	(73,302)
		<b>3,625,758</b>	<b>24,587,153</b>
<b>Operating loss before changes in working capital</b>		<b>1,992,577</b>	<b>1,326,186</b>
<b>Changes in working capital</b>			
Investments under murabahah arrangements		10,047,226	-
Ijarah rentals receivable		(3,110,924)	(2,914,437)
Profit receivable on murabaha investments		1,212,967	4,421,384
Other receivables		827,181	(400,897)
Accrued and other liabilities		5,849,195	2,623,272
		<b>14,825,645</b>	<b>3,729,322</b>
<b>Cash generated from operations</b>		<b>16,818,222</b>	<b>5,055,508</b>
<b>27 CASH AND CASH EQUIVALENTS</b>			
Bank balances	20	35,323	2,066,023
		<b>35,323</b>	<b>2,066,023</b>

## 28 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The details of Modaraba's related parties, with whom the Modaraba had transactions during the year or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature and basis of relationship
First Fidelity Leasing Modaraba Employees Providend Fund Trust	Post-employment Benefit Plan
Fidelity Capital Management (Private) Limited	Management Company
Ijaz Fazal	Key management personnel
Ilyas Shafique	Key management personnel

Detail of transactions and balances with related parties is as follows:

		30-Jun-25 Rupees	30-Jun-24 Rupees
<b>28.1 Transactions with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transaction</b>		
Post employment benefit plan	Contribution for the period	192,003	204,902
Management company	Rent accrued during the year	-	1,146,724
Key management personnel	Short term employee benefits	2,580,000	2,422,488
	Ijarah rentals received	262,500	694,629
<b>28.2 Balances with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transaction</b>		
Post employment benefit plan	Contribution payable	173,511	198,516
Management company	Rent Recoverable	-	1,146,724
Key management personnel	Short term employee benefits payable	1,521,500	1,083,265
	Ijarah rentals receivable	-	80,638



## 29 MATURITIES OF ASSETS AND LIABILITIES

	30-Jun-25			
	Total Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
<b>Financial assets</b>				
Long term deposits	12,500	-	-	12,500
Investments under murabahah arrangements	65,652,774	65,652,774	-	-
Ijarah rentals receivable	13,257,200	13,257,200	-	-
Bank balances	35,323	35,323	-	-
	<b>78,957,797</b>	<b>78,945,297</b>	-	<b>12,500</b>
<b>Financial liabilities</b>				
Accrued liabilities	14,177,269	14,177,269	-	-
Employees' provident fund	173,511	173,511	-	-
Unclaimed dividend	16,863,739	16,863,739	-	-
	<b>31,214,519</b>	<b>31,214,519</b>	-	-
	30-Jun-24			
	Total Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
<b>Financial assets</b>				
Long term deposits	12,500	-	-	12,500
Investments under murabahah arrangements	72,341,250	72,341,250	-	-
Ijarah rentals receivable	10,321,840	10,321,840	-	-
Bank balances	2,066,023	2,066,023	-	-
	<b>84,741,613</b>	<b>84,729,113</b>	-	<b>12,500</b>
<b>Financial liabilities</b>				
Accrued liabilities	8,649,630	8,649,630	-	-
Employees' provident fund	198,516	198,516	-	-
Unclaimed dividend	16,863,739	16,863,739	-	-
	<b>25,711,885</b>	<b>25,711,885</b>	-	-

## 30 FINANCIAL INSTRUMENTS

The carrying amounts of the Modaraba's financial assets and liabilities as at the reporting date are as follows:

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
<b>30.1 Financial assets</b>			
<b>Financial assets at amortized cost</b>			
Long term deposits	15	12,500	12,500
Investments under murabahah arrangements	16	65,652,774	72,341,250
Ijarah rentals receivable	17	13,257,200	10,321,840
Profit receivable on murabaha investments	18	-	-
Advances to employees	19.1	-	-
Receivable from clients	19.2	-	-
Receivable against sale of certificates	19.4	-	-
Other receivables	19.5	-	-
Bank balances	20	35,323	2,066,023
		<b>78,957,797</b>	<b>84,741,613</b>
<b>30.2 Financial liabilities</b>			
<b>Financial liabilities at amortized cost</b>			
Accrued liabilities	10	14,177,269	8,649,630
Employees' provident fund	10	173,511	198,516
Unclaimed dividend		16,863,739	16,863,739
		<b>31,214,519</b>	<b>25,711,885</b>



## 31 FINANCIAL RISK MANAGEMENT

The Modaraba's activities exposes it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses, assets and liabilities of the Modaraba.

The Board of Directors of the Management Company has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors of the Management Company has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Modaraba exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Modaraba is responsible for administering and monitoring the financial and operational financial risk management throughout the Modaraba in accordance with the risk management framework.

The Modaraba exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Modaraba and the manner in which such risks are managed is as follows:

### 31.1 Credit risk

Credit risk is the risk of financial loss to the Modaraba, if the counterparty to a financial instrument fails to meet its obligations.

#### 31.1.1 Credit risk management practices

##### (a) Murabahah investments and Ijarah receivables

The Modaraba minimises credit risk on Murabahah and Ijarah receivables by dealing with only counterparties who have a clean credit report. The Modaraba uses an internal credit risk-grading system. The ageing profile of murabaha investments and ijarah related receivables along with collection activities are reviewed on each reporting date to ensure that adequate loss allowance is made in accordance with the Modaraba's risk-grading system.

The Modaraba considers murabaha investments and ijarah related receivables to have low credit risk when these have a credit risk rating of 'performing'. Performing means that the counterparty has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due by less than 90 days. Any amounts past due by 90 days or more are considered non-performing.

The Modaraba writes-off murabaha investments and ijarah related receivables when there is information indicating that the counterparty is in severe financial condition and there is no realistic prospect of recovery, which is usually the case when contractual payments are past due by 365 days or more.

The Modaraba's credit risk grading framework for murabahah investments and ijarah related receivables comprises the following categories:

Category	Description
Performing	Contractual payments not due or overdue by less than 90 days
Sub-standard	Contractual payments overdue by 90 days or more
Doubtful	Contractual payments overdue by 180 days or more
Loss	Contractual payments overdue by 365 days or more
Write-off	There is no realistic prospect of recovery

##### (b) Other financial assets

In order to minimize credit risk on other financial assets, the Modaraba has adopted a policy of only dealing with creditworthy counterparties and limiting significant exposure to any single counterparty. The Modaraba only transacts with counterparties that have reasonably high external credit ratings. Where external credit rating is not available, the Modaraba uses an internal credit risk grading system. The ageing profile of other financial assets along with collection activities are reviewed on a regular basis.

The Modaraba reviews the recoverable amount of each other financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each other financial asset.

The Modaraba considers an other financial asset to have low credit risk when the asset has reasonably high external credit rating or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due.

In assessing whether the credit risk on an other financial asset has increased significantly since initial recognition, the Modaraba compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Modaraba considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Modaraba presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Modaraba has reasonable and supportable information that demonstrates otherwise.





The Modaraba regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk.

The Modaraba considers 'default' to have occurred when the financial asset is credit-impaired. A financial asset is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Modaraba writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery.

The Modaraba's credit risk grading framework for other financial assets comprises the following categories:

Category	Description
Performing	The counterparty has low credit risk
Doubtful	Credit risk has increased significantly since initial recognition
In default	There is evidence indicating the assets is credit-impaired
Write-off	There is no realistic prospect of recovery

### 31.1.2 Exposure to credit risk

Credit risk principally arises from 'financial assets carried at amortized cost' held by the Modaraba as at the reporting date. The maximum exposure to credit risk as at the reporting date is as follows:

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
Long term deposits		12,500	12,500
Investments under murabahah arrangements	16	260,325,268	72,341,250
Ijarah rentals receivable	17	55,901,131	10,321,840
Profit receivable on murabaha investments	18	12,340,437	21,486,354
Advances to employees	19.1	676,341	894,524
Receivable from clients	19.2	16,869,630	16,869,630
Receivable against sale of certificates	19.4	1,073,937	1,073,937
Other receivables	19.5	216,157	-
Bank balances	20	35,323	2,066,023
		<b>347,450,724</b>	<b>125,066,058</b>

### 31.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to internal credit risk grading. The credit quality of the Modaraba's financial assets exposed to credit risk is as follows:

			30-Jun-25		
	External credit rating	Internal credit risk grading	Basis for ECL	Gross carrying amount Rupees	Loss allowance Rupees
Long term deposits	N/A	Performing	12-month ECL	12,500	-
Investments under murabahah arrangements	N/A	Performing	Lifetime ECL	-	-
	N/A	Sub-standard	Lifetime ECL	-	-
	N/A	Doubtful	Lifetime ECL	-	-
	N/A	Loss	Lifetime ECL	260,325,268	194,672,494
				<b>260,325,268</b>	<b>194,672,494</b>
Ijarah rentals receivable	N/A	Performing	Lifetime ECL	3,235,128	159,996
	N/A	Sub-standard	Lifetime ECL	2,991,314	747,829
	N/A	Doubtful	Lifetime ECL	5,500,597	2,111,722
	N/A	Loss	Lifetime ECL	44,174,092	39,624,384
				<b>55,901,131</b>	<b>42,643,931</b>
Profit receivable on murabaha arrangements	N/A	In-default	Lifetime ECL	12,340,437	12,340,437
Advances to employees	N/A	In-default	Lifetime ECL	676,341	676,341
Receivable from clients	N/A	In-default	Lifetime ECL	16,869,630	16,869,630
Receivable against sale of certificates	N/A	In-default	Lifetime ECL	1,073,937	1,073,937
Other receivables	N/A	In-default	Lifetime ECL	216,157	216,157
Bank balances	A1 - A1+	N/A	12-month ECL	35,323	-
				<b>347,450,724</b>	<b>268,492,927</b>



30-Jun-24					
	External credit rating	Internal credit risk grading	Basis for ECL	Gross carrying amount Rupees	Loss allowance Rupees
Long term deposits	N/A	Performing	12-month ECL	12,500	-
Investments under murabahah arrangements	N/A	Performing	Lifetime ECL	-	-
	N/A	Sub-standard	Lifetime ECL	-	-
	N/A	Doubtful	Lifetime ECL	-	-
	N/A	Loss	Lifetime ECL	271,197,231	198,855,981
				271,197,231	198,855,981
Ijarah rentals receivable	N/A	Performing	Lifetime ECL	1,940,761	190,795
	N/A	Sub-standard	Lifetime ECL	1,830,446	464,681
	N/A	Doubtful	Lifetime ECL	2,328,041	556,488
	N/A	Loss	Lifetime ECL	48,352,828	42,918,272
				54,452,076	44,130,236
Profit receivable on murabaha arrangements	N/A	In-default	Lifetime ECL	21,486,354	21,486,354
Advances to employees	N/A	In-default	Lifetime ECL	894,524	894,524
Receivable from clients	N/A	In-default	Lifetime ECL	16,869,630	16,869,630
Receivable against sale of certificates	N/A	In-default	Lifetime ECL	1,073,937	1,073,937
Other receivables	N/A	In-default	Lifetime ECL	6,216,553	6,216,553
Bank balances	A1 - A1+	N/A	12-month ECL	2,066,023	-
				374,268,828	289,527,215

**(a) Long term deposits**

Long term deposits comprise security deposits placed with Central Depository Company ['CDC']. These deposits are placed for an indefinite period without any fixed maturity. Therefore, no credit risk has been associated with these financial assets, except for those against which impairment allowance has already been made.

**(b) Investments under murabaha arrangements and ijarah rentals receivables**

The Modaraba's main measure of credit delinquency is an aged portfolio-at-risk ratio. Murabahah investments and ijarah receivables are separated into classes depending on the number of days they are over-due. For each such class of credit, the outstanding principal balance is divided by the outstanding principal balance of the gross portfolio. The ageing analysis of the Modaraba's credit portfolio is as follows:

30-Jun-25				
	Investments under murabaha arrangements Rupees	Accumulated impairment Rupees	Ijarah rentals receivables Rupees	Accumulated impairment Rupees
Not yet due/Overdue less than 90 days	-	-	3,235,128	159,996
Overdue by 90 days or more	-	-	2,991,314	747,829
Overdue by 180 days or more	-	-	5,500,597	2,111,722
Overdue by 365 days or more	260,325,268	194,672,494	44,174,092	39,624,384
	260,325,268	194,672,494	55,901,131	42,643,931

30-Jun-24				
	Investments under murabaha arrangements Rupees	Accumulated impairment Rupees	Ijarah rentals receivables Rupees	Accumulated impairment Rupees
Not yet due/Overdue less than 90 days	-	-	1,940,761	190,795
Overdue by 90 days or more	-	-	1,830,446	464,681
Overdue by 180 days or more	-	-	2,328,041	556,488
Overdue by 365 days or more	271,197,231	198,855,981	48,352,828	42,918,272
	271,197,231	198,855,981	54,452,076	44,130,236

**(c) Profit receivable on murabaha arrangements**

The credit quality is assessed based on ageing of profit due but not recovered. All profit receivable as at the reporting date are considered 'In-default'. As credit risk has been associated with these financial assets and therefore, loss allowance has been made.



**(d) Advances to employees**

These are secured against future salaries and post-employment benefits. Therefore, no credit risk has been associated with these financial assets and accordingly no allowance has been made. However, there is an increase in credit risk associated to those financial assets where employees have left the Modaraba and hence appropriate loss allowance has been made in respect of these financial assets.

**(e) Receivable from clients**

These balances represent receivables from brokerage clients that are secured against lien on respective listed shares of the clients in CDC system and a piece of mortgaged land. However, there is increase in credit risk associated to these financial assets since initial recognition and accordingly loss allowance has been made.

**(f) Receivable against sale of certificates**

These balances represent receivables from brokerage clients that are secured against lien on respective listed shares of the clients in CDC system and a piece of mortgaged land. However, there is an increase in credit risk associated to these financial assets since initial recognition and accordingly loss allowance has been made.

**(g) Other receivables**

These mainly represents receivables from customers against various expenses/charges and share in rent of the Management Company. All of these receivables except for the share in rent of the Management Company as at the reporting date are considered 'In-default' for which loss allowance has been made. However, owing to slim chances of recovery of share in rent of the Management Company, the balance receivable is written-off during the reporting period.

**(h) Bank balances**

The bankers of the Modaraba have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss.

**31.1.4 Concentration of credit risk**

The Modaraba's maximum exposure to credit risk, as at the reporting date, by type of counter-party is as follows:

	30-Jun-25	30-Jun-24
	<i>Rupees</i>	<i>Rupees</i>
Customers	345,652,623	121,019,074
Utility companies and regulatory authorities	12,500	12,500
Banking companies and financial institutions	35,323	2,066,023
	<b>345,700,446</b>	<b>123,097,597</b>

**31.1.5 Collateral held**

The Modaraba's investments in ijarah assets are secured by registration of title to the underlying assets in the name of Modaraba. Particulars of collateral held against investments under murabahah arrangements and profit receivable thereon is referred to in relevant notes to the financial statements.

**31.1.6 Changes in impairment allowance for expected credit losses**

The changes in impairment allowance for expected credit losses are as follows:

As at beginning of the year		289,527,215	270,899,120
Impairment loss:			
recognized during the year	31.1.6(b)	4,672,561	19,704,284
reversed during the year	31.1.6(c)	(10,170,632)	(1,076,189)
Net change in impairment allowance		(5,498,071)	18,628,095
Written off during the year	31.1.6(d)	(15,536,217)	-
As at end of the year		<b>268,492,927</b>	<b>289,527,215</b>
<b>(a) Impairment allowance as at end of the year</b>			
Investments under murabahah arrangements		194,672,494	198,855,981
Ijarah rentals receivable		42,643,931	44,130,236
Profit receivable on murabaha investments		12,340,437	21,486,354
Advances and other receivables			
Advances to employees		676,341	894,524
Receivable from clients		16,869,630	16,869,630
Receivable against sale of certificates		1,073,937	1,073,937
Other receivables		216,157	6,216,553
		<b>18,836,065</b>	<b>25,054,644</b>
		<b>268,492,927</b>	<b>289,527,215</b>



	30-Jun-25	30-Jun-24
	Rupees	Rupees
<b>(b) Impairment loss recognized during the year</b>		
Investments under murabahah arrangements	-	6,101,750
Ijarah rentals receivable	4,672,561	4,644,530
Profit receivable on murabaha arrangements	-	1,678,177
Advances and other receivables		
Advances to employees	-	894,524
Receivable from clients	-	5,721,380
Receivable against sale of certificates	-	-
Other receivables	-	663,923
	-	7,279,827
	<b>4,672,561</b>	<b>19,704,284</b>
<b>(c) Impairment loss reversed during the year</b>		
Investments under murabahah arrangements	3,633,487	-
Ijarah rentals receivable	4,496,997	1,076,189
Profit receivable on murabaha arrangements	1,212,967	-
Advances and other receivables		
Advances to employees	218,183	-
Other receivables	608,998	-
	827,181	-
	<b>10,170,632</b>	<b>1,076,189</b>
<b>(d) Impairment loss written off during the year</b>		
Investments under murabahah arrangements	550,000	-
Ijarah rentals receivable	1,661,869	-
Profit receivable on murabaha arrangements	7,932,950	-
Other receivables	5,391,398	-
	<b>15,536,217</b>	<b>-</b>

### 31.2 Liquidity risk

Liquidity risk is the risk that the Modaraba will not be able to meet its financial obligations as they fall due.

#### 31.2.1 Liquidity risk management

The Modaraba's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation. The Modaraba monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Modaraba ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of solvency ratios.

#### 31.2.2 Exposure to liquidity risk

The following is the analysis of contractual maturities of financial liabilities, including estimated interest payments.

	30-Jun-25				
	Carrying amount	Contractual cashflows	One year or less	One to five years	More than five years
	Rupees	Rupees	Rupees	Rupees	Rupees
Accrued liabilities	14,177,269	14,177,269	14,177,269	-	-
Employees' provident fund	173,511	173,511	173,511	-	-
Unclaimed dividend	16,863,739	16,863,739	16,863,739	-	-
	<b>31,214,519</b>	<b>31,214,519</b>	<b>31,214,519</b>	<b>-</b>	<b>-</b>
	30-Jun-24				
	Carrying amount	Contractual cashflows	One year or less	One to five years	More than five years
	Rupees	Rupees	Rupees	Rupees	Rupees
Accrued liabilities	8,649,630	8,649,630	8,649,630	-	-
Employees' provident fund	198,516	198,516	198,516	-	-
Unclaimed dividend	16,863,739	16,863,739	16,863,739	-	-
	<b>25,711,885</b>	<b>25,711,885</b>	<b>25,711,885</b>	<b>-</b>	<b>-</b>



### 31.3 Market risk

#### 31.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency. The Modaraba is not exposed to currency risk arising from currency exposure as modaraba is not involved in foreign currency transactions.

#### 31.3.2 Profit rate risk

Profit rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in profit rates. The Modaraba's exposure to profit rate risk is limited as all of its investments in ijarah assets, murabahah are fixed rate instruments.

##### (a) Profit rate risk management

The Modaraba manages profit rate risk by analyzing its profit rate exposure on a dynamic basis. Cash flow profit rate risk is managed by simulating various scenarios taking into consideration various modes of investments. Based on these scenarios, the Modaraba calculates impact on profit after taxation and equity of defined profit rate shift, mostly 100 basis points. There were no changes in Modaraba's approach to profit rate risk management during the year.

##### (b) Exposure to profit rate risk

The effective profit rates for profit bearing financial instruments are mentioned in relevant notes to the financial statements. The Modaraba's profit bearing financial instruments as at the reporting date are as follows:

	30-Jun-25	30-Jun-24
	Rupees	Rupees
<b>Fixed rate instruments</b>		
Financial assets	78,909,974	82,663,090
Financial liabilities	-	-
<b>Variable rate instruments</b>		
Financial assets	19,934	2,018,561
Financial liabilities	-	-

##### (c) Fair value sensitivity analysis for fixed rate instruments

The Modaraba does not account for its fixed rate instruments at fair value

##### (d) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in profit rates as at the reporting date would have increased profit for the year and equity as at the reporting date by Rs. 199.34 (30-Jun-24: Rs. 20,186). A decrease of 100 basis points would have had an equal but opposite effect on profit and equity. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation and levies for the year.

#### 31.3.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from profit rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Modaraba is not exposed to price risk.

### 32 CAPITAL MANAGEMENT

The Modaraba's policy is to maintain a strong capital base so as to maintain investor confidence and to sustain future development of the business. The Management Company monitors the return on assets of the Modaraba, including finances under ijarah and murabahah which are managed through appropriate risk management policies. For major aspects of capital management, the Modaraba adheres to the requirements of the Ordinance, Rules and Regulations including the requirements of statutory reserve. There were no changes in the Modaraba's approach to capital management during the year. Furthermore, the Modaraba is not geared as at the reporting date.

### 33 FAIR VALUE MEASUREMENTS

There are no recurring or non-recurring fair value measurements as at the reporting date. The management considers the carrying amount of all financial instruments, to which the Modaraba is a party, to approximate their fair values as at the reporting date.



### 34 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The aggregate amount charged to profit or loss in respect of key management personnel on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such personnel is as follows:

		30-Jun-25	30-Jun-24
		<i>Rupees</i>	<i>Rupees</i>
Managerial remuneration	-	1,720,000	879,996
Allowances and perquisites	-	860,000	1,542,492
Post employment benefits	-	-	-
	-	2,580,000	2,422,488
Number of persons		2	2

### 35 SALARIES, ALLOWANCES AND OTHER BENEFITS

The aggregate amounts charged for remuneration to officers and employees of the Modaraba including all benefits are as under:

	30-Jun-25		
	Officers	Employees	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Basic salary	1,892,000	1,192,341	3,084,341
House rent allowance	516,000	96,000	612,000
Utilities	172,000	32,000	204,000
Provident Fund	172,004	20,000	192,004
Fuel Allowance	1,845,543	426,000	2,271,543
	4,597,547	1,766,341	6,363,888
Number of persons	4	7	11

	30-Jun-24		
	Officers	Employees	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Basic salary	2,620,000	799,857	3,419,857
House rent allowance	516,000	317,450	833,450
Utilities	171,996	105,815	277,811
Provident Fund	171,996	32,996	204,992
Fuel Allowance	2,067,496	105,815	2,173,311
	5,547,488	1,361,933	6,909,421
Number of persons	5	8	13

### 36 SEGMENT REPORTING

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

Information about the Modaraba's reportable segments as at the reporting date is as follows:

Segments	Nature of business
Murabaha finances	Sale of goods under murabaha arrangement
Ijarah finances	Giving right to the benefit of using an asset for a consideration

Information about the Modaraba's reportable segments as at the reporting date is as follows:

#### 36.1 Segment information

	30-Jun-25		
	Murabaha	Ijarah	Total
	<i>finances</i>	<i>finances</i>	<i>Rupees</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Income	-	13,210,558	13,210,558
Additions to non current assets	-	18,900,000	18,900,000
Amortization of assets leased out under ijarah contracts	-	8,985,274	8,985,274
Segment profit	4,846,454	4,049,720	8,896,174
Segment assets	65,652,774	41,085,430	106,738,204
Segment liabilities	-	4,518,989	4,518,989



	30-Jun-24		
	Murabaha finances Rupees	Ijarah finances Rupees	Total Rupees
Income	1,211,257	10,890,397	12,101,654
Additions to non current assets	-	3,200,000	3,200,000
Amortization of assets leased out under ijarah contracts	-	5,989,886	5,989,886
Segment (loss)/profit	(6,568,670)	1,332,170	(5,236,500)
Segment assets	72,341,250	29,753,013	102,094,263
Segment liabilities	-	5,918,852	5,918,852
	30-Jun-25		30-Jun-24
	Rupees		Rupees

### 36.2 Reconciliation of segment profit/(loss)

Total profit/(loss) for reportable segments	8,896,174	(5,236,500)
Unallocated common items		
Other income	53,763	55,656
Administrative and general expenses	(10,656,831)	(10,172,752)
Stock exchange and CDC charges	(585,000)	(695,000)
Financial charges	(2,664)	(5,846)
Impairment reversals/(allowance) for expected credit losses	827,181	(7,279,827)
Provision for levies	(165,804)	73,302
	(10,529,355)	(18,024,467)
Loss after income taxes	(1,633,181)	(23,260,967)

### 36.3 Reconciliation of segment assets

Total assets for reportable segments	106,738,204	102,094,263
Unallocated common assets		
Property and equipment	224,077,974	224,095,928
Membership assets	3,510,000	3,510,000
Long term deposits	12,500	12,500
Advances and other receivables	-	-
Prepaid levies	5,970	15,780
Income tax refundable/adjustable	1,059,650	1,043,870
Bank balances	35,323	2,066,023
	228,701,417	230,744,101
Total assets	335,439,621	332,838,364

### 36.4 Reconciliation of segment liabilities

Total liabilities for reportable segments	4,518,989	5,918,852
Unallocated common liabilities		
Employees retirement benefits	381,812	409,979
Accrued liabilities	14,177,269	8,649,630
Employees' provident fund	173,511	198,516
Workers' Welfare Fund	177,149	177,149
Levies payable	306,824	141,020
Withholding tax payable	1,212,132	1,218,102
Unclaimed profit distribution	16,863,739	16,863,739
	33,292,436	27,658,135
Total liabilities	37,811,425	33,576,987

36.5 All non-current assets of the Modaraba are situated in Pakistan.

36.6 All incomes of the Modaraba have originated from Pakistan.

### 37 EMPLOYEES PROVIDENT FUND TRUST

The following information is based on the latest un-audited financial statements of the First Fidelity Leasing Modaraba Employees Provident Fund for the year ended 30 June 2025.

	Unit	30-Jun-25 [Un-audited]	30-Jun-24 [Un-audited]
Size of the fund	Rupees	384,006	397,032
Percentage of investments made	% age	1.18	1.18
Fair value of investments	Rupees	5,000	5,000





The break-up of investments is as follows:

	30-Jun-25		30-Jun-24	
	Rupees	% age	Rupees	% age
Investment in mutual funds	5,000	1.18	5,000	1.18

- 37.1 The investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

	30-Jun-25	30-Jun-24
	Rupees	Rupees
<b>38 SHAHRIAH DISCLOSURES</b>		
Shariah compliant bank deposits/bank balances	10,475	2,066,023
Profit earned from shariah compliant bank deposits/bank balances	31,050	15,376
Revenue earned from a shariah compliant business segment	13,210,558	12,101,654
Short term investments under Morabaha arrangement	65,652,774	72,341,250

- 38.1 Relationship with shariah compliant banks:

Name of Bank	Relationship with Bank
Meezan Bank Limited	Bank balances

	30-Jun-25	30-Jun-24
<b>39 NUMBER OF EMPLOYEES</b>		
Total number of employees	11	11
Average number of employees	11	11

#### 40 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

#### 41 CORRECTION OF PRIOR PERIOD ERROR

##### 41.1 Departure from accrual basis of accounting

During the reporting period, the Modaraba identified that in previous year, expenses under different account heads was not recognized in the periods to which it related. This treatment represented a departure from the accrual basis of accounting as required under International Financial Reporting Standards. The error has been corrected retrospectively by adjusting the amounts reported for all prior periods presented in these financial statements.

Financial statement line item	Nature of impact	30-Jun-24	30-Jun-23
		Rupees	Rupees
Salaries and benefits	Debit	-	81,863
Legal and professional charges	Debit	381,187	906,000
Stock exchange and CDC charges	Debit	585,000	1,313,000
Accrued liabilities	Credit	966,187	2,300,863
Basic earnings per certificate	Decrease	0.04	0.09

##### 41.2 Prior period adjustments for provision for levies

During the reporting period, the Modaraba identified that in previous year, the provision for levies was not adjusted with the tax return adjustments as prior year levies adjustments. The provision for levies is therefore overstated as the adjustment for levies with income tax assessed results in the credit of levies to be recognized. The error has been corrected retrospectively by adjusting the amounts reported for all prior periods presented in these financial statements.

Financial statement line item	Nature of impact	30-Jun-24
		Rupees
Levies payable	Debit	214,322
Credit for levies	Credit	214,322
Basic earnings per certificate	Increase	0.01





#### 41.3 Assets leased out under ijarah contracts

During the reporting period, the Modaraba identified that in previous year, amortization charge for the year was over recognized. The assets leased out under ijarah contracts is therefore understated as the amortization during previous year was overstated. The error has been corrected retrospectively by adjusting the amounts reported for all prior periods presented in these financial statements.

Financial statement line item	Nature of impact	30-Jun-24 Rupees
Assets leased out under ijarah contracts	Debit	240,642
Amortization of assets leased out under ijarah contracts	Credit	240,642
Basic earnings per certificate	Increase	0.01

#### 42 EVENTS AFTER THE REPORTING PERIOD

There were no events occurring after the reporting period that require disclosure or adjustments to amounts reported in these financial statements.

	30-Jun-25 Rupees	30-Jun-24 Rupees
<b>43 RECLASSIFICATIONS</b>		
The following have been reclassified for better presentation.		
Benefits due but not paid <i>Reclassified from Employees retirement benefits</i> <i>Reclassified to Accrued and other liabilities &gt; Accrued liabilities</i>	122,000	122,000
Levies payable <i>Reclassified from Income tax payable</i> <i>Reclassified to Accrued and other liabilities &gt; Levies payable</i>	306,824	141,020
Prepaid levies <i>Reclassified from Income tax refundable/adjustable</i> <i>Reclassified to Prepaid levies</i>	5,970	15,780
Stock exchange and CDC charges <i>Reclassified from Administrative and general expenses &gt; Fee and subscription</i> <i>Reclassified to face of Statement of profit or loss &gt; Stock exchange and CDC charges</i>	-	110,000
Stock exchange and CDC charges <i>Reclassified from Administrative and general expenses &gt; Legal and professional charges</i> <i>Reclassified to face of Statement of profit or loss &gt; Stock exchange and CDC charges</i>	585,000	585,000
Impairment allowance for expected credit losses <i>Reclassified from Income from ijarah financing</i> <i>Reclassified to face of Statement of profit or loss &gt; Impairment allowance for expected credit losses</i>	-	3,372,998

#### 44 GENERAL

Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year, except for those referred to in note 43.

For Fidelity Capital Management (Private) Limited  
[The Management Company]

  
Chief Executive  
Fidelity Capital Management  
(Private) Limited

  
Director  
Fidelity Capital Management  
(Private) Limited

  
Director  
Fidelity Capital Management  
(Private) Limited

  
CFO/Company Secretary



**The Companies ACT, 2017**  
**The Companies (General Provisions and Forms) Regulations,**  
**2018[Section 227(2)(f)]**

**Pattern of Shareholding**

Summary  
**Form - 20**

1.1 Name of The Company **First Fidelity Leasing Modaraba**

2.1 Pattern of Holding of the Shares held by the Shareholders as at :June 30, 2025  
2.2

No. of Shareholders	Shareholding		Total Shares held
	From	To	
3,322	1	100	133,560
2,125	101	500	510,548
772	501	1,000	590,098
825	1,001	5,000	1,616,229
91	5,001	10,000	658,485
43	10,001	15,000	504,210
16	15,001	20,000	285,610
14	20,001	25,000	312,931
2	25,001	30,000	57,143
6	30,001	35,000	198,755
4	35,001	40,000	151,519
3	40,001	45,000	124,940
3	50,001	55,000	160,362
1	55,001	60,000	56,427
1	75,001	80,000	78,500
2	85,001	90,000	174,854
1	90,001	95,000	93,991
1	95,001	100,000	100,000
1	100,001	105,000	103,500
2	125,001	130,000	259,000
1	145,001	150,000	149,496
1	155,001	160,000	158,000
1	165,001	170,000	170,000
1	190,001	195,000	191,230
1	195,001	200,000	200,000
1	200,001	205,000	200,153
1	230,001	235,000	233,183
1	265,001	270,000	266,792
1	350,001	355,000	350,804
1	445,001	450,000	445,078
1	575,001	580,000	578,041
1	580,001	585,000	582,170
1	770,001	775,000	775,000
1	815,001	820,000	820,000
1	1,000,001	1,005,000	1,005,000
1	1,015,001	1,020,000	1,019,004
1	1,030,001	1,035,000	1,034,931
1	1,440,001	1,445,000	1,444,500
1	2,640,001	2,645,000	2,641,380
1	3,225,001	3,230,000	3,228,234
1	4,750,001	4,755,000	4,750,146
<b>7,256</b>			<b>26,413,804</b>



## CATEGORIES OF CERTIFICATE HOLDING

As On: June 30, 2025

First Fidelity Leasing Modaraba

As On: June 30, 2025

2.3 Categories of Shareholder	Folios	Physical	CDC	Share held	Percentage
<u>2.3.1 - Directors, CEO, Their Spouse and Minor Children</u>	1	-	54,552	54,552	0.21
<u>2.3.2 - Associated Companies, Undertakings &amp; Related Parties</u>	3	578,041	5,869,614	6,447,655	24.41
<u>2.3.3 - NIT &amp; ICP</u>	1	-	445,078	445,078	1.69
<u>2.3.4 - Banks, DFIs, NBFCs</u>	14	31,417	27,612	59,029	0.22
<u>2.3.5 - Insurance Companies</u>	3	40	1,034,931	1,034,971	3.92
<u>2.3.6 - Modarabas and Mutual Funds</u>	4	437	700	1,137	0.00
<u>2.3.8 - A. General Public (Local)</u>	7,199	2,953,162	15,218,387	18,171,549	68.80
<u>2.3.8 - B. General Public (Foreigner)</u>	1	-	664	664	0.00
<u>2.3.9 - A. Other Companies (Local)</u>	30	84,646	114,523	199,169	0.75
	<b>7,256</b>	<b>3,647,743</b>	<b>22,766,061</b>	<b>26,413,804</b>	<b>100.00</b>

Shareholders More Than 10.00%			
Mr. Muhammad Iqbal	1	4,750,146	17.98
M/S. FIDELITY CAPITAL MANAGEMENT (PVT) LTD	3	6,447,655	24.41



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CorpTec/GOC/0001146/1  
September 22, 2018

**Most Urgent**

To All Shareholder(s)

***Re: Mandatory Requirement of IBAN for Credit Dividend into Bank Electronically***

This is to inform you that under second proviso to Section 242 of the Companies Act 2017, listed companies are required to pay declared cash dividends only through electronic mode directly into the bank accounts designated by the entitled shareholders. Accordingly, you being registered shareholder of the company under folio No. \_\_\_\_\_, in **(Company Name)** are requested to provide the following information for payment of cash dividend declared / to be declared by the company through electronic mode directly into bank account designated by you.

Yours faithfully,

For **CorpTec Associates (Pvt) Limited**  
Share Registrar: (Company Name)

**Muhammad Imran Bhatti**  
Head - Share Registrar Affairs

IBAN - [36 Digits] <i>Including Country Code and Bank Identifier</i>	
CNIC Number (For Individuals) (Please attach photocopy)	
National Tax Number <i>(For Companies)</i>	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	
Cell Number of Shareholder	
Landline Number of Shareholder	
Email of Shareholder	

It is stated that the above-mentioned information is correct and I will intimate the changes, if any in the above-mentioned information to the Share Registrar, i.e. **CorpTec Associates (Pvt) Limited, 503 - E, Johar Town, Lahore.** as soon as these occur.

**Signature of Shareholder**

**Share Registrar & Corporate Consultants**

503 - E, Johar Town, Lahore.

Ph: 042-35170335-7, Fax: 042-35170338, Email: info@corptec.com.pk

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