



# Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (Private) Limited.

# ANNUAL REPORT 2026



[www.trustmodaraba.com](http://www.trustmodaraba.com)



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## CORPORATE INFORMATION

### MODARABA COMPANY

AL-ZAMIN MODARABA MANAGEMENT (PRIVATE) LIMITED

#### BOARD OF DIRECTORS

|                                                                       |                        |
|-----------------------------------------------------------------------|------------------------|
| Mr. Mian Sheikh Arshad Farooq                                         | Chairman               |
| Mr. Muhammad Yasin                                                    | Chief Executive        |
| Dr. Mrs. Namoos Baquar                                                | Non-Executive Director |
| Mr. Syed Etrat Hussain Rizvi                                          | Independent Director   |
| Mr. Muhammad Sami Ullah                                               | Independent Director   |
| Mr. Imran Iqbal                                                       | Independent Director   |
| *Mrs. Kauser Safdar                                                   | Non-Executive Director |
| * appointed subsequent to the year end to fill in the casual vacancy. |                        |

#### MANAGEMENT

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

#### AUDIT COMMITTEE

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

#### HUMAN RESOURCE COMMITTEE

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

#### INTERNAL AUDITORS

Bilal & Co.  
Chartered Accountants

#### AUDITORS OF THE MODARABA

Grant Thornton Anjum Rahman  
Chartered Accountants

#### BANKER

Meezan Bank Limited

#### LEGAL ADVISORS

Holscott International  
S&B Durrani Law Associates

#### REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS

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

#### REGIONAL OFFICE

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

#### REGISTRARS

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

## MISSION STATEMENT

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

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

## NOTICE OF ANNUAL REVIEW MEETING (ARM)

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

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

### Participation in the meeting:

#### I. Physical attendance:

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

#### II. Participation through video conferencing facility:

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

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

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

### Transmission of Annual Financial Statements:

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



### Unclaimed dividend

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

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

### Conversion of Physical Modaraba Certificates into Book-Entry Form:

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

24<sup>th</sup> September, 2026

Hamida Aqeel  
Company Secretary

## CHAIRMAN'S REVIEW REPORT

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

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

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

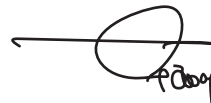
The tenure of Mr. Basheer Chowdry is defined by his remarkable leadership skills, ambitious ideas and strategic insights that inspired everyone around him. He steered the organization through various cycles and navigated challenges with strength, focus and perseverance. On behalf of the Board of Directors,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

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

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

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

24<sup>th</sup> September, 2026.



Mian Sheikh Arshad Farooq

Chairman.

## DIRECTORS' REPORT

The Board of Directors' of Al-Zamin Modaraba Management (Private) Limited, the management company of Trust Modaraba is pleased to present to the certificate holders, the Directors' Report together with the annual audited financial statements of Trust Modaraba for the financial year ended on 30<sup>th</sup> June, 2026.

### ECONOMIC REVIEW

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

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

### PERFORMANCE REVIEW

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

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

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

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

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

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

## **DIVIDEND**

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

## **CREDIT RATING:**

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

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

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

## **PRINCIPAL RISKS AND UNCERTAINTIES**

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

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

### **FUTURE OUTLOOK:**

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

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

### **GOVERNANCE FRAMEWORK:**

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

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

### **COMPOSITION OF THE BOARD AND MEETINGS:**

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

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

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

| <b>NAME</b>                              | <b>CATEGORY</b>               |
|------------------------------------------|-------------------------------|
| Mr. Mian Sheikh Arshad Farooq (Chairman) | Non Executive Director        |
| Mr. Muhammad Yasin (CEO)                 | Executive Director            |
| Mr. Etrat Hussain Rizvi                  | Independent Director          |
| Mr. Muhammad Sami Ullah                  | Independent Director          |
| Mrs. Dr. Namoos Baquar                   | Non Executive Female Director |
| Mr. Imran Iqbal                          | Independent Director          |

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

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

| <b>NAME</b>                              | <b>MEETINGS ATTENDED</b> |
|------------------------------------------|--------------------------|
| Mr. Mian Sheikh Arshad Farooq (Chairman) | Four                     |
| Mr. Muhammad Yasin (CEO)                 | Four                     |
| Mr. Etrat Hussain Rizvi                  | Four                     |
| Mr. Muhammad Sami Ullah                  | Four                     |
| Mrs. Dr. Namoos Baquar                   | Three                    |
| Mr. Imran Iqbal                          | Three                    |
| Mrs. Kauser Safdar                       | NIL (Newly appointed)    |

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

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

#### **AUDIT COMMITTEE & INTERNAL CONTROL SYSTEM:**

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

Subsequent to the resignation of Mr. Basheer A. Chowdry, the Board reconstituted the Audit Committee comprising of three members as mentioned below, In compliance of the requirements of the Code of Corporate Governance, Chairman of the Committee is an independent director. Four meetings of the Audit Committee were held during the year which were attended by the members as follows:

| <b>NAME</b>             | <b>MEETINGS ATTENDED</b> |      |
|-------------------------|--------------------------|------|
| Mr. Etrat Hussain Rizvi | (Chairman)               | Four |
| Mr. Muhammad Samiullah  | (Member)                 | Four |
| Mr. Imran Iqbal         | (Member)                 | Two  |

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

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

#### **HUMAN RESOURCE & REMUNERATION COMMITTEE:**

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

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

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

#### **ASSURANCE REPORT ON COMPLIANCE WITH SHARIAH REGULATIONS, 2023**

In terms of Shariah Governance Regulations, 2023, external Shariah Audit of Trust Modaraba's financial arrangements, contracts and transactions with Shariah principles was conducted by a qualified team of ASAS Shariah Advisory Services (Private) Limited. The report confirms that the Modaraba's financial arrangements, contracts and transactions for the year ended June, 2026 are in compliance with the Shariah principles, in all material respects. Report issued by ASAS is placed in the financial statements of the Modaraba.

#### **SHARIAH ADVISOR REPORT**

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

**AUDITORS:**

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

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

**PATTERN OF CERTIFICATE HOLDING:**

Pattern of certificate holding as at 30<sup>th</sup> June, 2026 is attached. Nil trade in the certificates of the Modaraba was carried out by the Directors, CEO, CFO, Company Secretary and their spouses during the year.

**VALUE OF THE FUNDS INVESTMENT:**

The Modaraba operates a contributory provident fund for all its permanent employees. Equal monthly contributions are made, both by the Modaraba and employees to the fund @10% of the basic salary. Based on latest accounts of the fund, the value of its investments works out to be Rs. 7,564,838 as at 30<sup>th</sup> June, 2026.

**EARNINGS PER CERTIFICATE:**

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

**ACKNOWLEDGEMENTS:**

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

24<sup>th</sup> September, 2026.



Chief Executive



Director

## ڈائریکٹرز کی رپورٹ

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

### معاشی جائزہ

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

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

### کارکردگی کا جائزہ

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

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

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

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

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

## ڈیویڈنڈ

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

## کریڈٹ ریٹنگ:

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

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

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

## بنیادی خطرات اور غیر یقینی صورتحال

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

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

## مستقبل کا منظر نامہ:

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

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

## گورننس فریم ورک:

ٹرسٹ مضاربہ نے ایک مضبوط گورننس فریم ورک قائم کیا ہے جو کارپوریٹ تنوع، اسٹریٹجک سمت، واضح اہداف، بہتر طور پر وضع کردہ پالیسیوں اور مضبوط داخلی کنٹرول نظام کو یقینی بناتا ہے۔ بورڈ آف ڈائریکٹرز ہر سہ ماہی میں کم از کم ایک بار مضاربہ کی مالی کارکردگی کا جائزہ لینے اور ادارے کے مقرر کردہ اہداف و مقاصد کے مطابق اہم آپریشنل اور اسٹریٹجک امور پر غور و خوض کے لیے اجلاس منعقد کرتا ہے۔

## بورڈ کی تشکیل اور اجلاس:

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

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

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

| نام                                 | کیمپری                |
|-------------------------------------|-----------------------|
| جناب میاں شیخ ارشد فاروقی (چیئرمین) | نان ایگزیکٹو ڈائریکٹر |

| نام                              | کمیٹری                                                                                                                          |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| جناب محمد یٰسین (سی ای او)       | ایگزیکٹو ڈائریکٹر                                                                                                               |
| جناب عمرت حسین رضوی              | انڈیپنڈنٹ ڈائریکٹر                                                                                                              |
| جناب محمد سمیع اللہ              | انڈیپنڈنٹ ڈائریکٹر                                                                                                              |
| محترمہ ڈاکٹر ناموس باقر (Baquar) | نان ایگزیکٹو خاتون ڈائریکٹر                                                                                                     |
| جناب عمران اقبال                 | انڈیپنڈنٹ ڈائریکٹر                                                                                                              |
| محترمہ کوثر صفدر                 | نان ایگزیکٹو خاتون ڈائریکٹر — بورڈ کی اتفاقی خالی نشست پر کرنے کے لیے مقرر؛<br>تقرری ایس ای سی پی سے 16 اگست 2026 کو منظور ہوئی |

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

| نام                                 | شریک اجلاس       |
|-------------------------------------|------------------|
| جناب میاں شیخ ارشد فاروق (چیئر مین) | چار              |
| جناب محمد یٰسین (سی ای او)          | چار              |
| جناب عمرت حسین رضوی                 | چار              |
| جناب محمد سمیع اللہ                 | چار              |
| محترمہ ڈاکٹر ناموس باقر (Baquar)    | تین              |
| جناب عمران اقبال                    | تین              |
| محترمہ کوثر صفدر                    | صفر (نومقرر شدہ) |

تمام ڈائریکٹرز کو ڈ آف کارپوریٹ گورننس کے تحت ڈائریکٹرز کی سرٹیفیکیشن سے متعلق تقاضوں کی مکمل تعمیل کرتے ہیں۔

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

### آڈٹ کمیٹی اور داخلی کنٹرول کا نظام:

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

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

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

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

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

### ہیومن ریسورس اور معاوضہ کمیٹی:

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

| نام                     | حیثیت   |
|-------------------------|---------|
| جناب محمد سمیع اللہ     | چیئرمین |
| جناب محمد یلین          | رکن     |
| جناب عمران اقبال        | رکن     |
| محترمہ ڈاکٹر ناموس باقر | رکن     |

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

### شریہ ریگولیشنز 2023 کی تعمیل سے متعلق ایسورنس رپورٹ

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

## شریعہ ایڈوائزر کی رپورٹ

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

## آڈیٹرز:

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

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

## سرٹیفکیٹ ہولڈنگ کا پیٹرن:

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

## فنز میں سرمایہ کاری کی مالیت:

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

## فی سرٹیفکیٹ آمدن:

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

## اظہار تشکر:

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

  
ڈائریکٹر

  
چیف ایگزیکٹو

24 ستمبر 2026

## KEY OPERATING & FINANCIAL DATA FOR THE LAST SIX YEARS

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

**Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019.  
Trust Modaraba Managed by Al-Zamin Modaraba Management (Private) Limited.**

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

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

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

***FEMALE DIRECTOR***

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

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

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their respective dates of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Five Directors of the Modaraba Company have already obtained director's training certification and two are exempt from the requirements by virtue of their experience as prescribed the listing regulations of Pakistan Stock Exchange.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

**a) Audit Committee**

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

**b) HR and Remuneration Committee**

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committees were as per following:
  - a) Audit Committee - Quarterly
  - b) HR and Remuneration Committee - Annually
15. The Board has outsourced the internal audit function to a firm of Chartered Accountants who are considered qualified and experienced for the purpose and are conversant with the policies and procedures of the company. A senior staff member of the Modaraba is also designated a liaison officer between Internal Auditor and the Board.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act and Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been duly complied with.
19. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance. The audit committee, though, complies with the requirements of regulation 27 of the Regulations relating to representation of the external auditors and attendance at meetings, the resources, authority, however same may be incorporated expressly in the TOR of the audit committee.

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

| Non Mandatory Requirements                                                                                                                                                                                                      | Regulation no. | Explanation                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Formal Policy on ESG matters related to health and safety, sustainability, corporate social responsibility and other matters of social welfare.                                                                                 | 10(4)-xiv      | The Board currently oversees ESG matters. In view of the deferral of ESG requirements for the Modaraba until 1 July 2031, a formal policy will be placed before the Board in due course.                                                                                                                                                                                                    |
| Compliance with the requirements related to governance and oversight of sustainability risks and opportunities, including DE & I policies formation of a committee and periodic monitoring of sustainability related strategies | 10(A)          | The Board is cognizant of the requirements and currently provides oversight. The requirements are deferred for the Modaraba until 1 July 2031 and will be complied with within that timeline.                                                                                                                                                                                               |
| Companies are encouraged to arrange trainings under Directors' training program.                                                                                                                                                | 19(i) & (ii)   | Company Secretary being the only female executive has acquired directors training certification in July 2020.<br><br>The Modaraba will continue assess the further training needs and its suitability for the staff members in consideration with the requirements of CCG.                                                                                                                  |
| Nomination Committee & Risk Management Committee                                                                                                                                                                                | 29 & 30        | The Board effectively discharges the responsibilities of the nomination committee and effectively monitors and assesses the requirements with respect to any changes needed on the Board committees.<br><br>The Board itself and also through its audit committee reviews the risks facing the Modaraba to ensure that a sound risk management and internal control system is put in place. |
| Posting of significant accounting policies on company's website                                                                                                                                                                 | 35             | Key elements of Whistle Blowing Policy, Health & Safety Policy, Code of Conduct have been uploaded to our website, and the remaining ones will be uploaded in due course.                                                                                                                                                                                                                   |

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

Dated: 24 September, 2026  
Karachi.

  
Mian Sheikh Arshad Farooq  
Chairman

## REPORT OF SHARIAH ADVISOR

I have conducted Shariah Review of Trust Modaraba managed by Al-Zamin Modaraba Management (Private) Limited for the year ended on 30th June, 2026 in accordance with the Shariah rules and regulations for the Modarabas.

In my opinion:

- i. The Modaraba has introduced a mechanism which has strengthened the Shariah compliance, and the policies adopted by the Modaraba conform with the Shariah principles;
- ii. The agreements entered into by the Modaraba are Shariah compliant and financing agreements have been executed on the formats as approved by Religious Board and all the related conditions have been met.
- iii. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all matters incidental thereto are in conformity with the Shariah principles, Islamic Financial Accounting Standards as applicable in Pakistan and Shariah Regulations for Modarabas.
- iv. No earnings have been realized by any means prohibited by Shariah.

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



**MUHAMMAD ZUBAIR USMANI**

Mufti Zubair Usmani

Jamia Darul Uloom Karachi

Dated: 24<sup>th</sup> August, 2026

Karachi

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

To the Board of Directors of Trust Modaraba

## INTRODUCTION

We have undertaken a reasonable assurance engagement as required by the Securities and Exchange Commission of Pakistan (SECP) under the Shariah Governance Regulations, 2023 (the "Regulations")—External Shariah Audit of Trust Modaraba ("the Modaraba") for assessing compliance of the Modaraba's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2026. This engagement was conducted by a multidisciplinary team comprising assurance practitioners and independent Shariah scholars.

## APPLICABLE CRITERIA

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2026) is assessed, comprise the Shariah principles and rules, as defined in the Regulations and detailed below:

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

## CONCLUSION

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



ASAS Shariah Advisory Services (Pvt.) Ltd.

Date: 20th August, 2026

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

## Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **Trust Modaraba** (the "Modaraba"), which comprise the statement of financial position as at **June 30, 2026**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow, for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at **June 30, 2026** and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Modaraba and Modaraba Company (Al Zamin Modaraba Management Private Limited) in accordance with the International Ethics Standards Board for Accountants 'Code of Ethics for Professional Accountants' as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matters

- 1) We draw attention to note 5.1.1 to the financial statements for the year ended June 30, 2026, which inter alia states the details of land which is owned but not in the possession of the Modaraba; and
- 2) We further draw attention to note 23.2 to the financial statements for the year ended June 30, 2026, which states the details of unclaimed dividend for which management has maintained separate saving account of Rs 5.66 million against unclaimed profit distribution of Rs. 13.64 million; and

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

### Key audit matters

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

| S. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | How the matters were addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | <p><b>Islamic financings and related assets</b><br/>(Refer note 7, 8, 9, 12, 13, and 14 to the financial statements)</p> <p>Islamic financings and related assets are valued at Rs. 312.90 million which constitutes 77% of the total assets of the Modaraba.</p> <p>As the Islamic financings and related assets represent a significant element of the financial statements, a discrepancy in the existence or valuation could cause the financial statements to be materially misstated which would also impact the Modaraba's reported performance.</p> <p>In view of significance of financings and related assets in relation to total assets and the financial statements as a whole, we have considered the existence and valuation of financings as a key audit matter.</p> | <p>Our audit procedures included obtaining understanding, including the design and operations of key controls over the recognition, valuation and existence of financing and related assets;</p> <p>We performed detailed assessment of the credit approval procedures of the financings sanctioned in accordance with Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021 and performed credit review on sample basis;</p> <p>We tested controls over addition, termination and periodic valuation of the portfolios and performed other substantive audit procedures on the year end balances. Moreover, we have reviewed documentation required in the facilities files of the parties and verified income from financing during the year by performing recalculation through amortization schedules on a sample basis;</p> <p>In addition, we have checked repayment received from the clients on sample basis;</p> |
| S. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | How the matters were addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|        | <b><i>Islamic financings and related assets (continued)</i></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>We have assessed the ECL model used by the management to calculate the provision against financings of the Modaraba for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the model;</p> <p>We have evaluated management's assessment for classification of customer's financing facilities; and</p> <p>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of financings issued and related assets in accordance with the requirements of the applicable financial reporting framework and with the applicable accounting standards, provisions of and directives issued under the Companies Act, 2017 and requirement of Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021.</p>                                                                                                                      |

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 | <b>Profit on musharakah finances</b><br>(Refer note 31 and 32 to the financial statements)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                    |
|   | Modaraba earns income from the musharaka finances which is its substantial income source. During the year, the Modaraba has recognized income of Rs. 52.1 million which represents an increase of Rs. 1.5 million (3%) over last year.<br><br>We identified income from musharaka finances as a key audit matter as it is one of the key performance indicators of the Modaraba and because of the potential risk that income from musharaka transactions may not be accurately recorded, recognized in the appropriate period, and not properly disclosed in the financial statements. | Our audit procedures in respect of this matter included the following:<br><br>Obtained an understanding, including the design and implementation of internal controls over recording and processing of musharakah income;<br><br>Assessed the appropriateness of the Modaraba's accounting policy for recording of income and in line with the requirements of applicable law, accounting and reporting standards; |

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

### Information other than the Financial Statements and Auditor's Report thereon

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

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

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

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

## Responsibilities of Management and Board of Directors of the Modaraba for the financial statements

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

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

### **Report on other legal and regulatory requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI OF 1980);
- b) the statement of financial position and the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, (XXXI of 1980) and are in agreement with the books of account;
- c) business conducted, investments made, expenditure incurred and guarantees extended during the year by the Modaraba were in accordance with the objects, terms and conditions of the Modaraba; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980. (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under section 07 of that Ordinance.

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

### **Grant Thornton Anjum Rahman**

Chartered Accountants

Karachi

Date: 30<sup>th</sup> September, 2026

UDIN: AR202610126Ck7SWdwHm

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

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Trust Modaraba for the year ended June 30, 2026, in accordance with the requirements of regulation 36 of the Regulations.

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

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Modaraba's corporate governance procedures and risks.

The Regulations require the Modaraba to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Modaraba's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2026.

**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Karachi

Date: 30<sup>th</sup> September, 2026  
UDIN:CR202610126CoAfJQth9

## GENDER PAY GAP STATEMENT

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

- a) Mean Gender Pay Gap: -74.27%
- b) Median Gender Pay Gap: -69.49%
- c) Any other data/details as deemed relevant:

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

For and on behalf of the Board of Director



Chief Executive Officer

# STATEMENT OF FINANCIAL POSITION

## AS AT JUNE 30, 2026

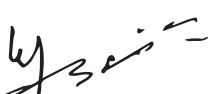
|                                                                  |      | 2026               | 2025               |
|------------------------------------------------------------------|------|--------------------|--------------------|
|                                                               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

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

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

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

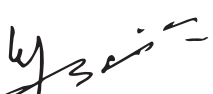
|                                                                                                | Note | 2026<br>-----Rupees----- | 2025              |
|------------------------------------------------------------------------------------------------|------|--------------------------|-------------------|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

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

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

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

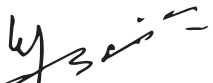
|                                                                                                                  | 2026              | 2025              |
|------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                                                  | -----Rupees-----  |                   |
| <b>Profit for the year after taxation</b>                                                                        | <b>11,378,874</b> | 18,390,098        |
| <b>Other comprehensive income :</b>                                                                              |                   |                   |
| <i>Items that will not be reclassified to profit and loss account</i>                                            |                   |                   |
| Net change in fair value of investments classified as fair value through other comprehensive income - net of tax | -                 | 3,872,095         |
| <i>Items that may be reclassified subsequently to profit and loss account</i>                                    | -                 | -                 |
| Other comprehensive income for the year                                                                          | -                 | 3,872,095         |
| <b>Total comprehensive income for the year</b>                                                                   | <b>11,378,874</b> | <b>22,262,193</b> |

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

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

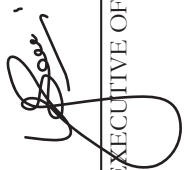
## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED JUNE 30, 2026

| Particulars                                          | Certificate capital | Capital reserves              | Revenue reserves   |              | Total reserves | Certificate holders' equity |
|------------------------------------------------------|---------------------|-------------------------------|--------------------|--------------|----------------|-----------------------------|
|                                                      |                     | Statutory reserve (Note 27.1) | Accumulated losses |              |                |                             |
| ----- (Rupees) -----                                 |                     |                               |                    |              |                |                             |
| Balance as at June 30, 2024                          | 298,000,000         | 87,956,748                    | (40,690,899)       |              | 47,265,849     | 345,265,849                 |
| Net profit for the year                              | -                   | -                             |                    | 18,390,098   | 18,390,098     | 18,390,098                  |
| Other comprehensive income for the year              | -                   | -                             | -                  | -            | -              | -                           |
| Total comprehensive income for the year              | -                   | -                             |                    | 18,390,098   | 18,390,098     | 18,390,098                  |
| Transfer to statutory reserve at 20%                 | -                   | 3,678,020                     |                    | (3,678,020)  | -              | -                           |
| Transactions with certificate holders                | -                   |                               |                    |              |                |                             |
| Profit distribution for the year ended June 30, 2024 | -                   | -                             |                    | (14,900,000) | (14,900,000)   | (14,900,000)                |
| @ Rs. 0.50 per certificate                           |                     |                               |                    |              |                |                             |
| Balance as at June 30, 2025                          | 298,000,000         | 91,634,768                    |                    | (40,878,821) | 50,755,947     | 348,755,947                 |
| Balance as at June 30, 2025                          | 298,000,000         | 91,634,768                    |                    | (40,878,821) | 50,755,947     | 348,755,947                 |
| Net profit for the year                              | -                   | -                             |                    | 11,378,874   | 11,378,874     | 11,378,874                  |
| Other comprehensive income for the year              | -                   | -                             | -                  | -            | -              | -                           |
| Total comprehensive income for the year              | -                   | -                             |                    | 11,378,874   | 11,378,874     | 11,378,874                  |
| Transfer to statutory reserve at 20%                 | -                   | 2,275,775                     |                    | (2,275,775)  | -              | -                           |
| Balance as at June 30, 2026                          | 298,000,000         | 93,910,543                    |                    | (31,775,722) | 62,134,821     | 360,134,821                 |

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

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED JUNE 30, 2026

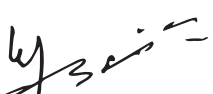
|                                                        |      | 2026             | 2025         |
|--------------------------------------------------------|------|------------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES                   | Note | -----Rupees----- |              |
|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

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

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

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

### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

#### 2.2 Functional and presentation currency

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

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

### 2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except investments, lease liabilities and right-of-use assets. Investments are measured at fair value. Lease liabilities and right-of-use assets are initially measured at the present value of the lease payments that are not paid at the commencement date. Basis of measurement has been discussed in related notes 4.3 and 4.11.1 respectively. These financial statements have been prepared following accrual basis accounting except for cash flow statement.

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

The following amendments and interpretations to published accounting and reporting standards that are applicable to the Modaraba's financial statements covering annual periods, beginning on or after July 1, 2025.

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

There are certain amendments to published accounting and reporting standards that are mandatory for the Modaraba's accounting period beginning on July 1, 2025, but are considered not to be relevant or do not have any significant impact on the Modaraba's operations and are, therefore, not detailed in these financial statements.

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

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

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

### 2.5 Corresponding figures

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

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

The Modaraba's management determines the useful lives and related depreciation charge, the residual values and impairment of its fixed assets on regular basis. These are reviewed at the end of each

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

reporting period and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets and the residual values, the same is changed to reflect the changed pattern. Such change is accounted for as change in accounting estimate in accordance with International Accounting Standard (IAS) 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

### 3.2 Provision against non performing financing

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

### 3.3 Impairment of other financial assets

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

### 3.4 Provisions and Contingencies

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

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

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

### 4.1 Cash and cash equivalents

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

### 4.2 Advances, prepayments and other receivables

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

### 4.3 Financial instruments

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

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

### 4.3.1 Financial assets

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

#### 4.3.1.1 Classification

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

a) *Financial assets at amortized cost*

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

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

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

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

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

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

### Reclassification

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

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

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

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

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

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

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

### 4.3.1.2 Initial recognition and measurement

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

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

### 4.3.1.3 Subsequent measurement

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

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

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

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

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

### 4.3.1.4 Derecognition

Financial assets are derecognized when:

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

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

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

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

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

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

### 4.3.1.5 Impairment of financial assets

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

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

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

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

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

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

### 4.3.1.6 Write offs

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

## 4.3.2 Financial liabilities

### 4.3.2.1 Initial recognition and measurement

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

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

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

The Modaraba does not reclassify any of its financial liabilities.

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

### 4.3.2.2 Subsequent measurement

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

#### Financial liabilities at fair value through profit or loss

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

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

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

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

#### All other liabilities

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

### 4.3.2.3 Derecognition

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

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

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

### 4.3.3 Offsetting of financial assets and liabilities

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

## 4.4 Murabaha and Musharakah arrangements

### 4.4.1 Murabaha arrangements

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

### 4.4.2 Musharakah arrangements

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

## 4.5 Fixed assets in own use and related depreciation

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to income by applying the straight-line method at the rates given in note 5.

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

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized as capitalization criteria is met. Gain/loss on disposal of assets, if any is recognized to statement of profit or loss as and when incurred.

## 4.6 Intangible Assets

These are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged using the straight line method over the asset's estimated useful life at the rate stated in note 6 of the financial statements, after taking into account the residual value, if any. The residual values, rates and amortisation methods are reviewed and adjusted, if appropriate, at each reporting date. Amortisation on additions is charged from the date the assets are available for use up to the date the assets are disposed off in accordance with rate specified in respective note of the financial statements. Gain and losses on disposal of such assets, if any, are included in the statement of profit and loss.

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

### 4.7 Impairment

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

### 4.8 Stock in trade

#### 4.8.1 Stock in trade for murabaha transactions

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

### 4.9 Provisions

Provisions are recognized when the Modaraba has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

### 4.10 Ijarah assets

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

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

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

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

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

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

### 4.10.1 Assets given to customers held under Ijarah arrangements

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

- Muj'ir (lessor) presents the asset subject to Ijarah in its statement of financial position according to the nature of the asset, distinguished from the assets in own use.
- Cost, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognized as expenses.
- Initial direct costs incurred specifically to earn revenues from Ijarah are recognized as an expense in the statement of profit and loss in the period in which they are incurred.

### 4.11 Leases

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

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

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

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

#### 4.11.1 Modaraba as a lessee

##### *Recognition*

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

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

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

### ***Initial measurement***

#### *Lease liability*

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

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

#### *Right-of-use asset*

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

### ***Subsequent measurement***

#### *Lease liability*

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

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

#### *Right-of-use asset*

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

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

Depreciation is charged to the statement of profit and loss at rates given in note 5.2.

#### **4.11.2 Modaraba as a lessor**

Leases in which the Modaraba does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Such leases are treated under IFAS-2 and the accounting policy for assets given to customers under ijarah arrangements (Note 4.10.1) is applied for such leases.

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

### 4.12 Revenue from contracts with customers

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

#### ***Murabaha profit***

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

#### ***Musharakah profit***

Profit on diminishing musharakah transactions is recognized on accrual basis.

#### ***Ijarah rentals***

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

#### ***Documentation income***

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

#### ***Dividend income***

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

#### ***Capital gain or loss***

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

#### ***Rental income***

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

#### ***Return on deposit accounts***

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

### 4.13 Income tax

#### ***Current***

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

#### ***Deferred***

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

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

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

### 4.14 Levy

In accordance with Income Tax Ordinance, 2001 (Ordinance), computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21. There are no material final taxes/levy that fall within the scope of IFRIC 21 during the year ended June 30, 2026.

### 4.15 Post employment benefits

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

### 4.16 Dividend - Profit distribution and other appropriations of profit

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

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

### 4.17 Earnings per certificate

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

### 4.18 Operating segments

An operating segment is a component of an entity:

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

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

The Modaraba is divided into four operating segments:

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

All these operating segments are located in Pakistan.

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

### 4.18.1 *Segment assets and liabilities*

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

### 4.18.2 *Allocation of segment expenses*

All identifiable expenses are directly attributed to the respective segments.

### 4.19 **Fair value measurement**

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

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

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

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

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

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

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

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

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

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

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

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

### 4.20 Sindh Workers' Welfare Fund

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

### 4.21 Long term deposits

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

### 4.22 Customer's security deposits – Ijarah

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

### 4.23 Deferred income on Murabaha

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

### 4.24 Loans and advances

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

### 4.25 Unclaimed profit distribution

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

### 4.26 Contingencies and commitments

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

### 4.27 Creditors, accrued and other liabilities

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

### 4.28 Short term deposits

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

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

## 5 FIXED ASSETS IN OWN USE

Assets in own use  
Right of use assets

|  | Note | 2026              | 2025              |
|--|------|-------------------|-------------------|
|  |      |                   | ----- Rupees----- |
|  | 5.1  | 17,023,654        | 13,719,220        |
|  | 5.2  | 7,744,380         | 10,839,957        |
|  |      | <u>24,768,034</u> | <u>24,559,177</u> |

### 5.1 Assets in own use

Year ended June 30, 2026

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

Year ended June 30, 2025

| Description            | Cost                |                |                  | Depreciation rate | Accumulated depreciation |                     |                  | Book Value as at June 30, 2025 |
|------------------------|---------------------|----------------|------------------|-------------------|--------------------------|---------------------|------------------|--------------------------------|
|                        | As at July 01, 2024 | Additions      | Disposals        |                   | As at July 01, 2024      | Charge for the year | Disposals        |                                |
|                        | Rupees              | Rupees         | Rupees           | %                 | Rupees                   | Rupees              | Rupees           | Rupees                         |
| Land (5.1.1)           | 10,728,400          | -              | -                | -                 | -                        | -                   | -                | 10,728,400                     |
| Furniture and fixtures | 1,007,156           | -              | -                | 10%               | 494,674                  | 77,473              | -                | 572,147                        |
| Office equipment       | 3,378,442           | 860,626        | -                | 30%               | 2,633,520                | 515,449             | -                | 3,148,969                      |
| Vehicles               | 1,993,172           | -              | (720,000)        | 20%               | 988,755                  | 278,628             | (504,000)        | 763,383                        |
| Leasehold improvements | 700,000             | -              | -                | 20%               | 700,000                  | -                   | -                | 700,000                        |
| Books                  | 16,423              | -              | -                | 20%               | 16,423                   | -                   | -                | 16,423                         |
| Electrical equipment   | 1,704,209           | 121,000        | (60,500)         | 10%               | 714,766                  | 121,740             | (27,720)         | 808,786                        |
|                        | <u>19,527,802</u>   | <u>981,626</u> | <u>(780,500)</u> |                   | <u>5,548,138</u>         | <u>993,290</u>      | <u>(531,720)</u> | <u>6,009,708</u>               |
|                        |                     |                |                  |                   |                          |                     |                  | <u>13,719,220</u>              |

**5.1.1** It represents a piece of land measuring 10 Kanals, costing Rs. 10,728,400 situated at Mauza Amer Sidhu, Lahore Cantt. acquired through settlement of certain Murabaha facilities. The subject land is presently in the possession of Defence Housing Authority, Lahore (DHA). The Modaraba has filed legal suit in the Civil Court, Lahore for possession of land. The management and legal counsel of the Modaraba are confident that Modaraba has valid claim against DHA because title and sale deed is in the name of the Modaraba and accordingly no loss has been recorded against such land. Management continues to pursue efforts for an out of court settlement of the matter. During the hearing held on 17 July 2026, the Defence Housing Authority (DHA) appeared in the proceedings, and the matter was fixed for filing of DHA's reply to the Modaraba's application. The matter remains pending for further proceedings.

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

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

| 5.2   | Right of use assets                                                                                                                                                              | Note          | 2026             | 2025        |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------|-------------|
|       |                                                                                                                                                                                  |               | -----Rupees----- |             |
|       | As at beginning of year                                                                                                                                                          |               | 10,839,957       | 8,968,532   |
|       | Additions during the year                                                                                                                                                        |               | 914,000          | 5,731,851   |
|       |                                                                                                                                                                                  |               | 11,753,957       | 14,700,383  |
|       | Depreciation charge for the year                                                                                                                                                 | 37            | (4,009,577)      | (3,860,426) |
|       | As at end of year                                                                                                                                                                | 5.2.1 & 5.2.2 | 7,744,380        | 10,839,957  |
|       | Lease term                                                                                                                                                                       |               | 1-5 years        | 1-5 years   |
|       | Depreciation rate                                                                                                                                                                |               | 20%              | 20%         |
| 5.2.1 | There are no variable lease payments in the lease contracts. There were no leases with residual value guarantees or leases not yet commenced to which the Modaraba is committed. |               |                  |             |
| 5.2.2 | All assets are geographically located in Pakistan.                                                                                                                               |               |                  |             |
| 6     | INTANGIBLE ASSET                                                                                                                                                                 | Note          | 2026             | 2025        |
|       |                                                                                                                                                                                  |               | -----Rupees----- |             |
|       | <b>Software</b>                                                                                                                                                                  |               |                  |             |
|       | <b>Cost</b>                                                                                                                                                                      |               |                  |             |
|       | Balance as at beginning of year                                                                                                                                                  |               | 2,272,000        | 2,272,000   |
|       | Additions during the year                                                                                                                                                        |               | -                | -           |
|       | Balance as at end of year                                                                                                                                                        |               | 2,272,000        | 2,272,000   |
|       | <b>Accumulated amortisation</b>                                                                                                                                                  |               |                  |             |
|       | Balance as at beginning of the year                                                                                                                                              |               | 1,730,388        | 1,323,060   |
|       | Charged during the year                                                                                                                                                          | 37            | 362,885          | 407,328     |
|       | Balance as at end of year                                                                                                                                                        |               | 2,093,273        | 1,730,388   |
|       | Written down value                                                                                                                                                               |               | 178,727          | 541,612     |
|       | Rate %                                                                                                                                                                           |               | 33%              | 33%         |

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

## 7 IJARAH ASSETS

|     | Note | 2026       | 2025       |
|-----|------|------------|------------|
|     |      | Rupees     | Rupees     |
| 7.1 | 7.1  | 13,309,135 | 31,484,673 |

### 7.1 Ijarah assets

#### Year ended June 30, 2026

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

#### Year ended June 30, 2025

| Description         | Cost                |           |              | Depreciation rate | Accumulated depreciation |                     |              | Book value as at June 30, 2026 |
|---------------------|---------------------|-----------|--------------|-------------------|--------------------------|---------------------|--------------|--------------------------------|
|                     | As at July 01, 2024 | Additions | Disposals    |                   | As at July 01, 2024      | Charge for the year | Disposals    |                                |
|                     |                     |           |              |                   |                          |                     |              |                                |
| Plant and machinery | 21,737,895          | -         | (21,737,895) | 20% to 50%        | 16,268,280               | 1,122,036           | (17,390,316) | -                              |
| Vehicles            | 125,205,401         | -         | (52,971,517) | 20% to 50%        | 56,224,266               | 14,761,563          | (30,236,618) | 31,484,673                     |
|                     | 146,943,296         | -         | (74,709,412) |                   | 72,492,546               | 15,883,599          | (47,626,934) | 31,484,673                     |

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

7.1.2 The Modaraba has filed suits for re-possession of leased assets costing Rs. 7.537 million (2025: Rs. 7.537 million) against 2 clients (2025: 2 clients). The Court has awarded decree in favour of Modaraba in 2 (2025: 2) cases for recovery of Rs. 4.652 million (2025: Rs. 4.652 million). The Courts have decided to attach some properties of customers in addition to their assets to the Modaraba. However, execution petitions for recovery of the decretal amount are still pending.

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2026

#### 7.1.4 Disposal of operating fixed assets

##### 7.1.4.1 Disposal of fixed assets given on ijarah

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

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

|              |                                                                                                                                                                                                                                                                                                                                                        |             | 2026                    | 2025               |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------|--------------------|
| <b>8</b>     | <b>MURABAHA FINANCES - SECURED</b>                                                                                                                                                                                                                                                                                                                     | <b>Note</b> | <b>-----Rupees-----</b> |                    |
|              | Considered good                                                                                                                                                                                                                                                                                                                                        | 8.1 & 8.2   | 7,311,895               | 17,357,111         |
|              | Considered doubtful                                                                                                                                                                                                                                                                                                                                    | 8.3         | 33,907,151              | 36,755,652         |
|              | Provision for doubtful long term murabaha finances                                                                                                                                                                                                                                                                                                     | 8.4         | (5,820,688)             | (6,673,778)        |
|              |                                                                                                                                                                                                                                                                                                                                                        |             | <u>35,398,358</u>       | <u>47,438,985</u>  |
|              | Current portion                                                                                                                                                                                                                                                                                                                                        |             | (33,129,755)            | (40,282,404)       |
|              | Non-current portion                                                                                                                                                                                                                                                                                                                                    |             | <u>2,268,603</u>        | <u>7,156,581</u>   |
| <b>8.1</b>   | The Modaraba has sold goods under murabaha arrangements whereby payment is deferred along with specified profit margin. These finances are secured by way of hypothecation stocks, mortgage of properties, demand promissory notes, charge on assets and personal guarantees.                                                                          |             |                         |                    |
| <b>8.2</b>   | The maximum aggregate amount outstanding during the year at any point is Rs 54,463,943 (2025: Rs. 66,265,408).                                                                                                                                                                                                                                         |             |                         |                    |
|              |                                                                                                                                                                                                                                                                                                                                                        |             | 2026                    | 2025               |
| <b>8.3</b>   | <b>Break up of considered doubtful Murabaha finances</b>                                                                                                                                                                                                                                                                                               | <b>Note</b> | <b>-----Rupees-----</b> |                    |
|              | Considered doubtful                                                                                                                                                                                                                                                                                                                                    |             | 34,825,900              | 38,251,245         |
|              | Suspended income                                                                                                                                                                                                                                                                                                                                       | 8.3.1       | (918,749)               | (1,495,593)        |
|              |                                                                                                                                                                                                                                                                                                                                                        |             | <u>33,907,151</u>       | <u>36,755,652</u>  |
| <b>8.3.1</b> | <b>Suspended income</b>                                                                                                                                                                                                                                                                                                                                |             |                         |                    |
|              | As at beginning of year                                                                                                                                                                                                                                                                                                                                |             | 1,495,593               | 1,598,778          |
|              | Reversal during the year                                                                                                                                                                                                                                                                                                                               | 30          | (576,844)               | (103,185)          |
|              | As at end of year                                                                                                                                                                                                                                                                                                                                      |             | <u>918,749</u>          | <u>1,495,593</u>   |
| <b>8.3.2</b> | The doubtful murabaha finances include receivables from 5 (2025: 6) customers under murabaha finance which is under litigation. Legal proceedings against these customers are in process in the Courts of Law. The Courts have awarded decree in favor of Modaraba in 2 (2025: 2) cases for recovery of Rs. 54.002 million (2025: Rs. 54.002 million). |             |                         |                    |
|              |                                                                                                                                                                                                                                                                                                                                                        |             | 2026                    | 2025               |
| <b>8.4</b>   | <b>Provision for doubtful long term murabaha finances</b>                                                                                                                                                                                                                                                                                              |             | <b>-----Rupees-----</b> |                    |
|              | As at beginning of year                                                                                                                                                                                                                                                                                                                                |             | 6,673,778               | 6,674,996          |
|              | Reversals for the year                                                                                                                                                                                                                                                                                                                                 |             | (853,090)               | (1,218)            |
|              | As at end of year                                                                                                                                                                                                                                                                                                                                      |             | <u>5,820,688</u>        | <u>6,673,778</u>   |
| <b>9</b>     | <b>DIMINISHING MUSHARAKAH FINANCING - SECURED</b>                                                                                                                                                                                                                                                                                                      |             |                         |                    |
|              | Considered good                                                                                                                                                                                                                                                                                                                                        |             | 202,073,184             | 222,089,949        |
|              | Considered doubtful                                                                                                                                                                                                                                                                                                                                    |             | 8,334,682               | -                  |
|              | Provision for Diminishing Musharakah finances                                                                                                                                                                                                                                                                                                          | 9.3         | (4,142,115)             | (3,734,822)        |
|              |                                                                                                                                                                                                                                                                                                                                                        | 9.1 & 9.2   | <u>206,265,751</u>      | <u>218,355,127</u> |
|              | Current portion                                                                                                                                                                                                                                                                                                                                        |             | (85,340,652)            | (74,237,249)       |
|              | Non-current portion                                                                                                                                                                                                                                                                                                                                    |             | <u>120,925,099</u>      | <u>144,117,878</u> |
| <b>9.1</b>   | This represents facility given to 62 (2025: 58) customers. The facilities are secured by way of asset. Customer will participate in cost ranging between 10% to 70% (2025: 25% to 50%) in purchasing the diminishing musharakah asset.                                                                                                                 |             |                         |                    |
| <b>9.2</b>   | The maximum aggregate amount outstanding during the year at any point is Rs 222,994,823 (2025: Rs 222,089,949).                                                                                                                                                                                                                                        |             |                         |                    |
|              |                                                                                                                                                                                                                                                                                                                                                        |             | 2026                    | 2025               |
| <b>9.3</b>   | <b>Provision for Diminishing Musharakah finances</b>                                                                                                                                                                                                                                                                                                   |             | <b>-----Rupees-----</b> |                    |
|              | As at beginning of year                                                                                                                                                                                                                                                                                                                                |             | 3,734,822               | 3,734,822          |
|              | Charge for the year                                                                                                                                                                                                                                                                                                                                    | 36.1        | 407,293                 | -                  |
|              | As at end of year                                                                                                                                                                                                                                                                                                                                      |             | <u>4,142,115</u>        | <u>3,734,822</u>   |

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

|             |                                                                                                                                                                                                                                                                                                                                         |             | 2026               | 2025               |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------------|--------------------|
|             |                                                                                                                                                                                                                                                                                                                                         |             | -----Rupees-----   |                    |
| <b>10</b>   | <b>LONG TERM DEPOSITS</b>                                                                                                                                                                                                                                                                                                               | <b>Note</b> |                    |                    |
|             | Central Depository Company of Pakistan Limited                                                                                                                                                                                                                                                                                          |             | 154,862            | 154,862            |
|             | Others                                                                                                                                                                                                                                                                                                                                  |             | 34,800             | 34,800             |
|             |                                                                                                                                                                                                                                                                                                                                         |             | <u>189,662</u>     | <u>189,662</u>     |
| <b>11</b>   | <b>DEFERRED TAXATION</b>                                                                                                                                                                                                                                                                                                                |             |                    |                    |
|             | <b>Taxable / (deductible) temporary difference in respect of:</b>                                                                                                                                                                                                                                                                       |             |                    |                    |
|             | Accelerated tax depreciation on fixed assets and Ijarah assets                                                                                                                                                                                                                                                                          |             | 1,344,157          | 2,073,776          |
|             | Accelerated tax amortization on intangible assets                                                                                                                                                                                                                                                                                       |             | 37,331             | (4,918)            |
|             | Right of use assets                                                                                                                                                                                                                                                                                                                     |             | 2,245,870          | 3,143,588          |
|             | Provision for short term Murabaha finances                                                                                                                                                                                                                                                                                              |             | (5,800)            | (5,800)            |
|             | Provision for doubtful Ijarah rental receivables                                                                                                                                                                                                                                                                                        |             | (706,834)          | (366,862)          |
|             | Provision for doubtful Murabaha finances                                                                                                                                                                                                                                                                                                |             | (838,817)          | (1,915,022)        |
|             | Provision for short term Musharakah finances                                                                                                                                                                                                                                                                                            |             | (91,254)           | (93,108)           |
|             | Provision for Diminishing Musharakah finances                                                                                                                                                                                                                                                                                           |             | (1,201,213)        | (1,083,098)        |
|             | Unrealized loss on revaluation of financial assets at fair value through profit or loss                                                                                                                                                                                                                                                 |             | (709,463)          | (265,500)          |
|             | Lease liabilities against right of use assets                                                                                                                                                                                                                                                                                           |             | <u>(2,245,095)</u> | <u>(2,900,026)</u> |
|             |                                                                                                                                                                                                                                                                                                                                         |             | <u>(2,171,118)</u> | <u>(1,416,970)</u> |
| <b>12</b>   | <b>SHORT TERM MURABAHA FINANCES - SECURED</b>                                                                                                                                                                                                                                                                                           |             |                    |                    |
|             | Considered doubtful:                                                                                                                                                                                                                                                                                                                    |             |                    |                    |
|             | - Regular parties                                                                                                                                                                                                                                                                                                                       |             | -                  | 5,000,000          |
|             | - Parties under litigation                                                                                                                                                                                                                                                                                                              | 12.1        | <u>33,800,000</u>  | <u>28,800,000</u>  |
|             |                                                                                                                                                                                                                                                                                                                                         |             | 33,800,000         | 33,800,000         |
|             | Provision for doubtful receivables                                                                                                                                                                                                                                                                                                      | 12.2        | <u>(8,420,000)</u> | <u>(8,420,000)</u> |
|             | Suspended income                                                                                                                                                                                                                                                                                                                        | 12.3        | <u>(20,000)</u>    | <u>-</u>           |
|             |                                                                                                                                                                                                                                                                                                                                         | 12.4        | <u>25,360,000</u>  | <u>25,380,000</u>  |
| <b>12.1</b> | These represent receivables from 3 (2025: 3) customers under Murabaha finance. Legal proceedings against these customers are in process in the Honorable Courts of Law (Banking court of Lahore). The Courts have awarded decree in favor of Modaraba in 3 (2025: 3) cases for recovery of Rs. 39.73 million (2025: Rs. 39.73 million). |             |                    |                    |
| <b>12.2</b> | <b>Provision for doubtful receivables</b>                                                                                                                                                                                                                                                                                               |             | 2026               | 2025               |
|             |                                                                                                                                                                                                                                                                                                                                         |             | -----Rupees-----   |                    |
|             | As at beginning of year                                                                                                                                                                                                                                                                                                                 |             | 8,420,000          | 8,400,000          |
|             | Provision during the year                                                                                                                                                                                                                                                                                                               |             | -                  | 20,000             |
|             | Reversal during the year                                                                                                                                                                                                                                                                                                                |             | -                  | -                  |
|             | Written off during the year due to settlement                                                                                                                                                                                                                                                                                           |             | -                  | -                  |
|             | As at end of year                                                                                                                                                                                                                                                                                                                       |             | <u>8,420,000</u>   | <u>8,420,000</u>   |
| <b>12.3</b> | <b>Suspended income</b>                                                                                                                                                                                                                                                                                                                 |             |                    |                    |
|             | As at beginning of year                                                                                                                                                                                                                                                                                                                 |             | -                  | -                  |
|             | Provision during the year                                                                                                                                                                                                                                                                                                               |             | 20,000             | -                  |
|             | As at end of year                                                                                                                                                                                                                                                                                                                       |             | <u>20,000</u>      | <u>-</u>           |
| <b>12.4</b> | The Modaraba has sold goods under Murabaha arrangements whereby payment is deferred along with specified profit margin. These finances are secured by way of hypothecation of stocks, mortgage of properties, demand promissory notes, charge on assets and personal guarantees.                                                        |             |                    |                    |
| <b>12.5</b> | The maximum aggregate amount outstanding during the year at any point is Rs 33,800,000 (2025: Rs. 33,800,000).                                                                                                                                                                                                                          |             |                    |                    |

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

|        |                                                                                                                                                                                                                                                                                                                                                 |                     | 2026                      | 2025                     |                     |                |              |                 |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|--------------------------|---------------------|----------------|--------------|-----------------|
|        |                                                                                                                                                                                                                                                                                                                                                 |                     | -----Rupees-----          |                          |                     |                |              |                 |
| 13     | IJARAH RENTAL RECEIVABLES - SECURED                                                                                                                                                                                                                                                                                                             | Note                |                           |                          |                     |                |              |                 |
|        | Considered good - secured                                                                                                                                                                                                                                                                                                                       | 13.1                | -                         | 470,042                  |                     |                |              |                 |
|        | Parties under litigation - considered doubtful                                                                                                                                                                                                                                                                                                  | 13.2                | 5,012,772                 | 5,026,212                |                     |                |              |                 |
|        | Suspended ijarah income - considered doubtful                                                                                                                                                                                                                                                                                                   | 13.3                | (843,499)                 | (843,499)                |                     |                |              |                 |
|        | Provision for doubtful ijarah rental receivables                                                                                                                                                                                                                                                                                                | 13.4                | (2,437,358)               | (1,265,040)              |                     |                |              |                 |
|        |                                                                                                                                                                                                                                                                                                                                                 |                     | <u>1,731,915</u>          | <u>3,387,715</u>         |                     |                |              |                 |
| 13.1   | These are secured against ijarah assets and personal guarantees. In some ijarahs, additional collateral is also obtained in the form of mortgaged property. The Modaraba is entitled to repossess and sell the ijarah assets in case of default by the customers.                                                                               |                     |                           |                          |                     |                |              |                 |
| 13.2   | The doubtful Ijarah rentals include receivables from 2 (2025: 2) customers under Ijarah finance which is under litigation. Legal proceedings against these customers are in process in the Courts of Law. The Courts have awarded decree in favor of Modaraba in 2 (2025: 2) cases for recovery of Rs. 5.012 million (2025: Rs. 5.026 million). |                     |                           |                          |                     |                |              |                 |
| 13.3   | Suspended ijarah income - considered doubtful                                                                                                                                                                                                                                                                                                   | Note                | 2026                      | 2025                     |                     |                |              |                 |
|        |                                                                                                                                                                                                                                                                                                                                                 |                     | -----Rupees-----          |                          |                     |                |              |                 |
|        | As at beginning of year                                                                                                                                                                                                                                                                                                                         |                     | 843,499                   | 843,499                  |                     |                |              |                 |
|        | Income suspended during the year                                                                                                                                                                                                                                                                                                                | 29                  | -                         | -                        |                     |                |              |                 |
|        | Reversal during the year                                                                                                                                                                                                                                                                                                                        |                     | -                         | -                        |                     |                |              |                 |
|        | As at end of year                                                                                                                                                                                                                                                                                                                               |                     | <u>843,499</u>            | <u>843,499</u>           |                     |                |              |                 |
| 13.4   | Provision for doubtful Ijarah rental receivables                                                                                                                                                                                                                                                                                                |                     |                           |                          |                     |                |              |                 |
|        | As at beginning of year                                                                                                                                                                                                                                                                                                                         |                     | 1,265,040                 | 1,271,339                |                     |                |              |                 |
|        | Provision for the year                                                                                                                                                                                                                                                                                                                          |                     | 1,179,784                 | -                        |                     |                |              |                 |
|        | Reversal during the year                                                                                                                                                                                                                                                                                                                        |                     | (7,466)                   | (6,299)                  |                     |                |              |                 |
|        | As at end of year                                                                                                                                                                                                                                                                                                                               | 13.4.1              | <u>2,437,358</u>          | <u>1,265,040</u>         |                     |                |              |                 |
| 13.4.1 | All rentals receivable pertain to arrangements executed under Islamic modes of financing.                                                                                                                                                                                                                                                       |                     |                           |                          |                     |                |              |                 |
| 14     | MUSHARAKAH FINANCES - SECURED                                                                                                                                                                                                                                                                                                                   | Note                | 2026                      | 2025                     |                     |                |              |                 |
|        |                                                                                                                                                                                                                                                                                                                                                 |                     | -----Rupees-----          |                          |                     |                |              |                 |
|        | Considered good                                                                                                                                                                                                                                                                                                                                 |                     | 31,150,000                | 10,499,750               |                     |                |              |                 |
|        | Provision for Musharakah finances                                                                                                                                                                                                                                                                                                               | 14.1                | (314,670)                 | (321,061)                |                     |                |              |                 |
|        |                                                                                                                                                                                                                                                                                                                                                 |                     | <u>30,835,330</u>         | <u>10,178,689</u>        |                     |                |              |                 |
| 14.1   | Provision for Musharakah finances                                                                                                                                                                                                                                                                                                               |                     |                           |                          |                     |                |              |                 |
|        | As at beginning of year                                                                                                                                                                                                                                                                                                                         |                     | 321,061                   | 321,061                  |                     |                |              |                 |
|        | Reversal for the year                                                                                                                                                                                                                                                                                                                           |                     | (6,391)                   | -                        |                     |                |              |                 |
|        | As at end of year                                                                                                                                                                                                                                                                                                                               |                     | <u>314,670</u>            | <u>321,061</u>           |                     |                |              |                 |
| 15     | SHORT TERM INVESTMENTS                                                                                                                                                                                                                                                                                                                          |                     |                           |                          |                     |                |              |                 |
|        | Financial assets at fair value through profit or loss:                                                                                                                                                                                                                                                                                          |                     |                           |                          |                     |                |              |                 |
|        | Alfalah Islamic Amdani Fund (AIRAF)                                                                                                                                                                                                                                                                                                             | 15.1                | 10,018,021                | -                        |                     |                |              |                 |
|        | Shares of listed companies                                                                                                                                                                                                                                                                                                                      | 15.2                | 32,755,780                | 14,287,295               |                     |                |              |                 |
|        |                                                                                                                                                                                                                                                                                                                                                 |                     | <u>42,773,801</u>         | <u>14,287,295</u>        |                     |                |              |                 |
| 15.1   |                                                                                                                                                                                                                                                                                                                                                 |                     |                           |                          |                     |                |              |                 |
|        | Name of Fund                                                                                                                                                                                                                                                                                                                                    | Number of units     |                           |                          | As at June 30, 2026 |                |              |                 |
|        |                                                                                                                                                                                                                                                                                                                                                 | As at July 01, 2025 | Purchased during the year | Redeemed during the year | As at June 30, 2026 | Carrying value | Market Value | Unrealised gain |
|        |                                                                                                                                                                                                                                                                                                                                                 | -----Units-----     |                           |                          | -----Rupees-----    |                |              |                 |
|        | Alfalah Islamic Amdani Fund                                                                                                                                                                                                                                                                                                                     | -                   | 99,842                    | -                        | 99,842              | 10,000,000     | 10,018,021   | 18,021          |
|        | Total                                                                                                                                                                                                                                                                                                                                           | -                   | 99,842                    | -                        | 99,842              | 10,000,000     | 10,018,021   | 18,021          |

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

## 15.2 Shares of listed companies

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

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

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

|                                                                                                                                                                                                                                                                                                           |             |  | 2026               | 2025              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--|--------------------|-------------------|
|                                                                                                                                                                                                                                                                                                           |             |  | -----Rupees-----   |                   |
| <b>15.3 Unrealized loss on revaluation of financial assets at fair value through profit or loss</b>                                                                                                                                                                                                       | <b>Note</b> |  |                    |                   |
| Unrealized loss on shares                                                                                                                                                                                                                                                                                 | 15.3.1      |  | (3,107,472)        | 1,913,987         |
| Unrealized gain on mutual funds                                                                                                                                                                                                                                                                           | 15.3.2      |  | 18,021             | -                 |
|                                                                                                                                                                                                                                                                                                           |             |  | <u>(3,089,451)</u> | <u>1,913,987</u>  |
| <b>15.3.1 Unrealized loss on shares</b>                                                                                                                                                                                                                                                                   |             |  |                    |                   |
| Difference between market value and average cost                                                                                                                                                                                                                                                          |             |  |                    |                   |
| - Current year                                                                                                                                                                                                                                                                                            |             |  | (4,876,215)        | (1,768,743)       |
| - Prior year                                                                                                                                                                                                                                                                                              |             |  | 1,768,743          | 3,682,730         |
|                                                                                                                                                                                                                                                                                                           |             |  | <u>(3,107,472)</u> | <u>1,913,987</u>  |
| <b>15.3.2 Unrealized gain on mutual funds</b>                                                                                                                                                                                                                                                             |             |  |                    |                   |
| Difference between market value and average cost                                                                                                                                                                                                                                                          |             |  |                    |                   |
| - Current year                                                                                                                                                                                                                                                                                            |             |  | 18,021             | -                 |
|                                                                                                                                                                                                                                                                                                           |             |  | <u>18,021</u>      | <u>-</u>          |
| <b>16 TAX REFUNDABLE</b>                                                                                                                                                                                                                                                                                  |             |  |                    |                   |
| As at beginning of year                                                                                                                                                                                                                                                                                   |             |  | 5,280,459          | 3,997,069         |
| Current tax expense for the year                                                                                                                                                                                                                                                                          |             |  | (3,338,412)        | (4,804,740)       |
| Levy                                                                                                                                                                                                                                                                                                      |             |  | (74,918)           | (103,913)         |
| Prior year tax adjustment                                                                                                                                                                                                                                                                                 |             |  | (922,436)          | -                 |
| Advance tax paid during the year                                                                                                                                                                                                                                                                          |             |  | 3,865,116          | 6,192,043         |
| As at end of year                                                                                                                                                                                                                                                                                         |             |  | <u>4,809,809</u>   | <u>5,280,459</u>  |
| <b>17 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>                                                                                                                                                                                                                                                     |             |  |                    |                   |
| Loans to employees - considered good                                                                                                                                                                                                                                                                      | 17.1        |  | 45,000             | 399,000           |
| Prepayments                                                                                                                                                                                                                                                                                               |             |  | 4,513,249          | 4,950,137         |
| Accrued profit (secured - considered good)                                                                                                                                                                                                                                                                | 17.2        |  | 3,512,991          | 2,353,774         |
| Legal suits' charges receivable (secured - considered good)                                                                                                                                                                                                                                               | 17.3        |  | 2,178,106          | 2,204,112         |
| Sundry receivables (unsecured - considered good)                                                                                                                                                                                                                                                          |             |  | 523,034            | 384,474           |
|                                                                                                                                                                                                                                                                                                           |             |  | <u>10,772,380</u>  | <u>10,291,497</u> |
| <b>17.1</b>                                                                                                                                                                                                                                                                                               |             |  |                    |                   |
| This includes the loan given to and receivables from executives amounting to Rs. Nil million (2025: Rs. 0.232 million). The executives are included in the key management personnel of the Modaraba. The loans are provided for maximum period of one year period and deductible from employees salaries. |             |  |                    |                   |
| Maximum aggregate balance due from executives and employees, at the end of any month during the year, was Rs. 0.355 million (2025: Rs. 0.595 million).                                                                                                                                                    |             |  |                    |                   |
|                                                                                                                                                                                                                                                                                                           |             |  | 2026               | 2025              |
|                                                                                                                                                                                                                                                                                                           | <b>Note</b> |  | -----Rupees-----   |                   |
| <b>17.2 Accrued profit</b>                                                                                                                                                                                                                                                                                |             |  |                    |                   |
| Profit receivable on musharakah finances                                                                                                                                                                                                                                                                  |             |  | 5,355,157          | 2,353,774         |
| Less: suspended income                                                                                                                                                                                                                                                                                    |             |  | (1,842,166)        | -                 |
|                                                                                                                                                                                                                                                                                                           |             |  | <u>3,512,991</u>   | <u>2,353,774</u>  |
| <b>17.3 Legal suits' charges receivable</b>                                                                                                                                                                                                                                                               |             |  |                    |                   |
| As at beginning of year                                                                                                                                                                                                                                                                                   |             |  | 2,723,002          | 2,718,002         |
| Expenses incurred                                                                                                                                                                                                                                                                                         |             |  | 97,500             | 5,000             |
| Write off due to settlement                                                                                                                                                                                                                                                                               |             |  | (148,526)          | -                 |
| Gross amount                                                                                                                                                                                                                                                                                              |             |  | 2,671,976          | 2,723,002         |
| Allowance for doubtful legal suits' charges receivables                                                                                                                                                                                                                                                   | 17.3.1      |  | (493,870)          | (518,890)         |
| Net amount                                                                                                                                                                                                                                                                                                |             |  | <u>2,178,106</u>   | <u>2,204,112</u>  |
| <b>17.3.1 Movement in provision for doubtful legal suits' charges receivables</b>                                                                                                                                                                                                                         |             |  |                    |                   |
| As at beginning of year                                                                                                                                                                                                                                                                                   |             |  | 518,890            | 406,926           |
| Provision made during the year                                                                                                                                                                                                                                                                            |             |  | -                  | 111,964           |
| Provision written off during the year                                                                                                                                                                                                                                                                     |             |  | (25,020)           | -                 |
| As at end of year                                                                                                                                                                                                                                                                                         |             |  | <u>493,870</u>     | <u>518,890</u>    |

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

| 18   | CASH AND BANK BALANCES                                                                                                                                                                                                                                                                       | Note            | 2026                                              | 2025                  |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------|-----------------------|
|      |                                                                                                                                                                                                                                                                                              |                 | -----Rupees-----                                  |                       |
|      | - Current accounts                                                                                                                                                                                                                                                                           | 18.1            | 18,432                                            | 27,538                |
|      | - Saving accounts                                                                                                                                                                                                                                                                            | 18.2            | 1,165,984                                         | 3,364,844             |
|      |                                                                                                                                                                                                                                                                                              |                 | 1,184,416                                         | 3,392,382             |
|      | Savings account - dividend                                                                                                                                                                                                                                                                   | 23.1            | 5,661,909                                         | 5,647,679             |
|      | Balances with banks - total                                                                                                                                                                                                                                                                  |                 | 6,846,325                                         | 9,040,061             |
|      | Cash in hand                                                                                                                                                                                                                                                                                 |                 | 9,334                                             | 26,302                |
|      |                                                                                                                                                                                                                                                                                              |                 | 6,855,659                                         | 9,066,363             |
| 18.1 | This include bank account maintained by Modaraba with State Bank of Pakistan as per the requirement of BSD circular No. 04 of 2003 for recovering CIB service charges having balance of Rs 17,735 (2025: Rs. 26,850). Except for this account all other bank accounts are shariah compliant. |                 |                                                   |                       |
| 18.2 | These carry profit at rates ranging from 2.47% to 2.76 % (2025: 2.78% to 10.01%) per annum.                                                                                                                                                                                                  |                 |                                                   |                       |
| 19   | DEFERRED INCOME ON MURABAHA                                                                                                                                                                                                                                                                  | Note            | 2026                                              | 2025                  |
|      |                                                                                                                                                                                                                                                                                              |                 | -----Rupees-----                                  |                       |
|      | Opening balance                                                                                                                                                                                                                                                                              |                 | 3,052,900                                         | 3,180,750             |
|      | Additions during the year                                                                                                                                                                                                                                                                    |                 | -                                                 | 3,458,086             |
|      | Recognized during the year                                                                                                                                                                                                                                                                   |                 | (2,043,404)                                       | (3,585,936)           |
|      |                                                                                                                                                                                                                                                                                              |                 | 1,009,496                                         | 3,052,900             |
|      | Current portion                                                                                                                                                                                                                                                                              |                 | (873,002)                                         | (2,043,402)           |
|      | Non-current portion                                                                                                                                                                                                                                                                          |                 | 136,494                                           | 1,009,498             |
| 20   | CUSTOMERS' LONG TERM SECURITY DEPOSITS                                                                                                                                                                                                                                                       |                 |                                                   |                       |
|      | Opening balance                                                                                                                                                                                                                                                                              |                 | 17,020,118                                        | 35,998,638            |
|      | Received during the year                                                                                                                                                                                                                                                                     |                 | -                                                 | -                     |
|      | Adjusted during the year                                                                                                                                                                                                                                                                     |                 | (7,152,950)                                       | (18,978,520)          |
|      | Closing balance                                                                                                                                                                                                                                                                              | 20.1            | 9,867,168                                         | 17,020,118            |
|      | Current portion shown as current liabilities                                                                                                                                                                                                                                                 |                 | (9,647,168)                                       | (5,840,750)           |
|      | Non-current portion shown as non-current liabilities                                                                                                                                                                                                                                         |                 | 220,000                                           | 11,179,368            |
| 20.1 | These represent deposits received from customers to secure the ijarah assets given to them.                                                                                                                                                                                                  |                 |                                                   |                       |
| 21   | LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS                                                                                                                                                                                                                                                | Note            | 2026                                              | 2025                  |
|      |                                                                                                                                                                                                                                                                                              |                 | -----Rupees-----                                  |                       |
|      | Opening balance                                                                                                                                                                                                                                                                              |                 | 10,000,088                                        | 7,942,065             |
|      | Additions during the year                                                                                                                                                                                                                                                                    |                 | 914,000                                           | 4,678,651             |
|      |                                                                                                                                                                                                                                                                                              |                 | 10,914,088                                        | 12,620,716            |
|      | Add: unwinding of lease liabilities                                                                                                                                                                                                                                                          | 37              | 1,628,682                                         | 2,678,014             |
|      | Add: adjustment due to lease modifications                                                                                                                                                                                                                                                   |                 | 677,889                                           | -                     |
|      | Less: payments made during the year                                                                                                                                                                                                                                                          |                 | (5,478,952)                                       | (5,298,642)           |
|      | Gross liability                                                                                                                                                                                                                                                                              |                 | 7,741,707                                         | 10,000,088            |
|      | Less: current portion                                                                                                                                                                                                                                                                        |                 | (2,510,492)                                       | (2,730,428)           |
|      | Non-current portion                                                                                                                                                                                                                                                                          |                 | 5,231,215                                         | 7,269,660             |
| 21.1 | Maturity analysis of contractual cash flows                                                                                                                                                                                                                                                  |                 |                                                   |                       |
|      | At June 30, 2026                                                                                                                                                                                                                                                                             |                 |                                                   |                       |
|      |                                                                                                                                                                                                                                                                                              | Within one year | Later than one year but not later than five years | Later than five years |
|      |                                                                                                                                                                                                                                                                                              |                 | -----Rupees-----                                  |                       |
|      | Undiscounted cash flows                                                                                                                                                                                                                                                                      | 4,265,538       | 6,956,196                                         | -                     |
|      | Less: discounting                                                                                                                                                                                                                                                                            | (1,755,046)     | (1,724,981)                                       | -                     |
|      | Discounted cash flows                                                                                                                                                                                                                                                                        | 2,510,492       | 5,231,215                                         | -                     |

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

|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Within one<br>year      | Later than one<br>year but not<br>later than five<br>years | Later than five<br>years |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------------------------|--------------------------|
| At June 30, 2025                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         |                                                            |                          |
| Undiscounted cash flows                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 4,994,496               | 10,527,402                                                 | -                        |
| Less: discounting                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (2,264,068)             | (3,257,742)                                                | -                        |
| Discounted cash flows                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <u>2,730,428</u>        | <u>7,269,660</u>                                           | <u>-</u>                 |
| <b>21.2</b>                                            | Summary of amounts relating to leases charged in different line items of the financial statements is as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                         |                                                            |                          |
|                                                        | <b>Note</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>2026</b>             | <b>2025</b>                                                |                          |
|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>-----Rupees-----</b> |                                                            |                          |
| Carrying amount of ROU assets                          | 5.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>7,744,380</u>        | <u>10,839,957</u>                                          |                          |
| Depreciation charge                                    | 5.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>4,009,577</u>        | <u>3,860,426</u>                                           |                          |
| Unwinding of lease liabilities                         | 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <u>1,628,682</u>        | <u>2,678,014</u>                                           |                          |
| Repayment of lease liability                           | 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <u>5,478,952</u>        | <u>5,298,642</u>                                           |                          |
| <b>22</b>                                              | <b>LOAN FROM DIRECTOR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>22.1</b>             | <b>5,000,000</b>                                           | <b>-</b>                 |
| <b>22.1</b>                                            | This represents a loan obtained from Director, Mr. Syed Etrat Hussain Rizvi, by the Modaraba on April 28, 2026 to meet its working capital requirements. The loan is unsecured, carries no markup and was repayable within six months from the date of the agreement and has been subsequently repaid on July 03, 2026.                                                                                                                                                                                                                                                            |                         |                                                            |                          |
| <b>23</b>                                              | <b>UNCLAIMED PROFIT DISTRIBUTIONS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Note</b>             | <b>2026</b>                                                | <b>2025</b>              |
|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | <b>-----Rupees-----</b>                                    |                          |
| As at beginning of year                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | <u>13,697,088</u>                                          | <u>12,828,131</u>        |
| Add: dividend declared during the year                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | -                                                          | 14,900,000               |
| Less: dividends paid                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | <u>(58,450)</u>                                            | <u>(14,031,043)</u>      |
| As at end of year                                      | 23.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         | <u>13,638,638</u>                                          | <u>13,697,088</u>        |
| <b>23.1</b>                                            | <b>Movement in dividend bank account:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |                                                            |                          |
| As at beginning of year                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | <u>5,647,679</u>                                           | <u>5,003,881</u>         |
| Add: dividend declared during the year                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | -                                                          | 14,900,000               |
| Dividend claim received and settled                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | <u>(58,450)</u>                                            | <u>(14,031,043)</u>      |
| Profit received for the year on saving account         | 25.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         | <u>91,964</u>                                              | <u>287,578</u>           |
| Tax on profit received                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | <u>(18,393)</u>                                            | <u>(43,018)</u>          |
| Charity paid                                           | 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         | -                                                          | (469,000)                |
| Bank charges                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | <u>(891)</u>                                               | <u>(719)</u>             |
| As at end of year                                      | 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         | <u>5,661,909</u>                                           | <u>5,647,679</u>         |
| <b>23.2</b>                                            | Management has maintained funds of Rs. 5,661,909 (2025: Rs. 5,647,679) against unclaimed profit distribution of Rs. 13,638,639 (2025: Rs. 13,697,088) resulting shortage of funds of Rs 7,976,730 (2025: Rs. 8,049,409). These shortages of funds majorly relates to when Modaraba was managed by Trust Management Services (previous management company) from incorporation till 2009 when change of management took place through appointment of administrator by registrar under section 19 and 20 of Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980. |                         |                                                            |                          |
| <b>24</b>                                              | <b>CREDITORS, ACCRUED AND OTHER LIABILITIES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Note</b>             | <b>2026</b>                                                | <b>2025</b>              |
|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | <b>-----Rupees-----</b>                                    |                          |
| Payable to Modaraba Management Company (Related party) | 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         | <u>1,724,950</u>                                           | <u>2,686,354</u>         |
| Provision for Workers' Welfare Fund                    | 24.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         | <u>355,279</u>                                             | <u>517,762</u>           |
| Accrued expenses                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | <u>1,753,303</u>                                           | <u>1,310,336</u>         |
| Other liabilities                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | <u>1,129,676</u>                                           | <u>1,931,658</u>         |
| Sales tax on management fee payable                    | 38.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         | <u>3,141,108</u>                                           | <u>2,882,365</u>         |
|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | <u>8,104,316</u>                                           | <u>9,328,475</u>         |

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

| 24.1 | PROVISION FOR SINDH WORKERS' WELFARE FUND                                                                                                                                                                                                                      | Note                                                                                                  | 2026               | 2025               |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------|--------------------|
|      |                                                                                                                                                                                                                                                                |                                                                                                       | -----Rupees-----   |                    |
|      | As at beginning of the year                                                                                                                                                                                                                                    |                                                                                                       | 517,762            | 574,375            |
|      | Expense during the year                                                                                                                                                                                                                                        |                                                                                                       | 305,316            | 475,485            |
|      | Paid during the year                                                                                                                                                                                                                                           |                                                                                                       | (467,799)          | (532,098)          |
|      | As at end of the year                                                                                                                                                                                                                                          |                                                                                                       | <u>355,279</u>     | <u>517,762</u>     |
| 25   | CHARITY PAYABLE                                                                                                                                                                                                                                                |                                                                                                       |                    |                    |
|      | As at beginning of the year                                                                                                                                                                                                                                    |                                                                                                       | 108,608            | 269,532            |
|      | Add: Profit received on unclaimed dividend account                                                                                                                                                                                                             | 23.1 & 25.1                                                                                           | 91,964             | 287,578            |
|      | Add: Purification of dividend income                                                                                                                                                                                                                           | 33.1                                                                                                  | 7,961              | 120,498            |
|      | Paid to charitable institutions                                                                                                                                                                                                                                | 25.2                                                                                                  | (180,000)          | (569,000)          |
|      | As at end of the year                                                                                                                                                                                                                                          |                                                                                                       | <u>28,533</u>      | <u>108,608</u>     |
| 25.1 | It represents the profit earned on unclaimed dividends held in a specialized dividend account maintained with Meezan bank. The profits received are donated to charitable institutions.                                                                        |                                                                                                       |                    |                    |
| 25.2 | Paid To Charitable Institutions                                                                                                                                                                                                                                |                                                                                                       | 2026               | 2025               |
|      |                                                                                                                                                                                                                                                                |                                                                                                       | -----Rupees-----   |                    |
|      | Bait ul Sukoon                                                                                                                                                                                                                                                 |                                                                                                       | 100,000            | -                  |
|      | Layton Rehmatullah Benevolent trust                                                                                                                                                                                                                            |                                                                                                       | 80,000             | 100,000            |
|      | The Kidney Center                                                                                                                                                                                                                                              |                                                                                                       | -                  | 69,000             |
|      | Prevention of Blindness Trust                                                                                                                                                                                                                                  |                                                                                                       | -                  | 100,000            |
|      | Sindh Institute of Urology & Transplantation                                                                                                                                                                                                                   |                                                                                                       | -                  | 100,000            |
|      | The Indus Hospital                                                                                                                                                                                                                                             |                                                                                                       | -                  | 100,000            |
|      | Shaukat Khanum Memorial Trust                                                                                                                                                                                                                                  |                                                                                                       | -                  | 100,000            |
|      |                                                                                                                                                                                                                                                                |                                                                                                       | <u>180,000</u>     | <u>569,000</u>     |
| 26   | CERTIFICATE CAPITAL                                                                                                                                                                                                                                            |                                                                                                       |                    |                    |
| 26.1 | Authorized certificate capital                                                                                                                                                                                                                                 |                                                                                                       |                    |                    |
|      | 2026                                                                                                                                                                                                                                                           | 2025                                                                                                  | 2026               | 2025               |
|      | Number of certificates                                                                                                                                                                                                                                         |                                                                                                       | -----Rupees-----   |                    |
|      |                                                                                                                                                                                                                                                                | Modaraba certificates of                                                                              |                    |                    |
|      | <u>70,000,000</u>                                                                                                                                                                                                                                              | <u>70,000,000</u>                                                                                     | <u>700,000,000</u> | <u>700,000,000</u> |
|      |                                                                                                                                                                                                                                                                | Rs. 10 each.                                                                                          |                    |                    |
| 26.2 | Certificate capital                                                                                                                                                                                                                                            |                                                                                                       |                    |                    |
|      | 2026                                                                                                                                                                                                                                                           | 2025                                                                                                  |                    |                    |
|      | Number of certificates                                                                                                                                                                                                                                         |                                                                                                       |                    |                    |
|      | 15,000,000                                                                                                                                                                                                                                                     | 15,000,000                                                                                            | 150,000,000        | 150,000,000        |
|      |                                                                                                                                                                                                                                                                | Modaraba certificates of Rs. 10 each fully paid in cash.                                              |                    |                    |
|      | 12,300,000                                                                                                                                                                                                                                                     | 12,300,000                                                                                            | 123,000,000        | 123,000,000        |
|      |                                                                                                                                                                                                                                                                | Modaraba certificates of Rs. 10 each fully paid in cash issued as fully paid bonus certificates.      | 26.3               |                    |
|      | 2,500,000                                                                                                                                                                                                                                                      | 2,500,000                                                                                             | 25,000,000         | 25,000,000         |
|      |                                                                                                                                                                                                                                                                | Modaraba certificates issued of Rs. 10 each issued in consideration of assets as result of take over. | 26.4               |                    |
|      | <u>29,800,000</u>                                                                                                                                                                                                                                              | <u>29,800,000</u>                                                                                     | <u>298,000,000</u> | <u>298,000,000</u> |
| 26.3 | These fully paid bonus modaraba certificates of Rs. 10 each were issued before 2009 when modaraba was managed by Trust Management Services. After change of management company no modaraba certificates were issued as bonus certificates from 2009 till date. |                                                                                                       |                    |                    |
| 26.4 | Al-Zamin Modaraba Management (Private) Limited holds 5,261,388 (2025: 5,261,388) Modaraba certificates which represents 17.65% (2025: 17.65%) of the equity stake in the Modaraba as required by the SECP vide Order No. SC/M/RW/Trust/2009-44.                |                                                                                                       |                    |                    |
| 26.5 | Subsequent to reporting date, Al-Zamin Modaraba Management (Private) Limited has reduced its holding to 10% after taking specific approval from SECP                                                                                                           |                                                                                                       |                    |                    |

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

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

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

- 27.1 This represents profit set aside as required under section 13(1) of the Modaraba Regulations, 2021 for Modarabas as issued by the Securities and Exchange Commission of Pakistan. During the current year, the Modaraba has transferred an amount of Rs. 2,275,775 (2025: Rs.3,678,020) which represents 20% (2025: 20%) of the profit after tax.

## 28 CONTINGENCIES AND COMMITMENTS

### 28.1 Contingencies

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

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

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

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

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

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

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

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

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

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

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

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

| S. no. | Financing              | Outstanding amount | Parties under litigation | Parties for decree awarded | Note No. |
|--------|------------------------|--------------------|--------------------------|----------------------------|----------|
| 1      | Long term Murabaha     | 33,907,151         | 5                        | 2                          | 8        |
| 2      | Short term Murabaha    | 33,800,000         | 3                        | 2                          | 12       |
| 3      | Diminishing Musharakah | 8,334,682          | 1                        | 0                          | 9        |
| 4      | Ijarah                 | 5,012,772          | 2                        | 2                          | 13       |
|        |                        | <b>81,054,605</b>  |                          |                            |          |

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

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

### 28.2 Commitments

|                                                                        |        | 2026                    |                                                   |
|------------------------------------------------------------------------|--------|-------------------------|---------------------------------------------------|
|                                                                        | Note   | Not later than one year | Later than one year and not later than five years |
| ------(Rupees)-----                                                    |        |                         |                                                   |
| Diminishing Musharaka                                                  | 28.2.1 | 4,265,538               | 6,956,196                                         |
| Operating lease commitments                                            | 28.2.2 | 441,000                 | -                                                 |
|                                                                        |        | 2025                    |                                                   |
|                                                                        |        | Not later than one year | Later than one year and not later than five years |
| ------(Rupees)-----                                                    |        |                         |                                                   |
| Diminishing Musharaka                                                  |        | 4,553,496               | 10,527,402                                        |
| Operating lease commitments                                            |        | 420,000                 | -                                                 |
|                                                                        |        | 2026                    | 2025                                              |
| -----Rupees-----                                                       |        |                         |                                                   |
| Disbursement of Ijarah / Murabaha / Musharakah to be made to customers |        | 2,000,000               | 11,000,000                                        |

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

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

|                                                     |       | 2026             | 2025         |
|-----------------------------------------------------|-------|------------------|--------------|
|                                                     | Note  | -----Rupees----- |              |
| Not later than one year                             |       | 4,265,538        | 4,553,496    |
| Later than one year and not later than five years   |       | 6,956,196        | 10,527,402   |
|                                                     |       | 11,221,734       | 15,080,898   |
| <b>29 INCOME FROM IJARAH - NET</b>                  |       |                  |              |
| Income from ijarah operations                       |       | 14,023,844       | 25,081,272   |
| Less: depreciation on fixed assets given on ijarah  | 7.1   | (9,062,293)      | (15,883,599) |
| Less: takaful on ijarah assets                      |       | (954,930)        | (1,788,060)  |
|                                                     |       | 4,006,621        | 7,409,613    |
| <b>30 PROFIT ON MURABAHA FINANCES</b>               |       |                  |              |
| Profit on murabaha finances                         |       | 2,381,418        | 3,781,336    |
| Income suspended during the year                    | 12.3  | (20,000)         | -            |
| Reversal of suspension income                       | 8.3.1 | 576,844          | 103,185      |
|                                                     |       | 2,938,262        | 3,884,521    |
| <b>31 PROFIT ON DIMINISHING MUSHARAKAH FINANCES</b> |       |                  |              |
| Profit on diminishing musharakah finances           |       | 55,214,170       | 54,297,837   |
| Income suspended during the year                    |       | (1,842,166)      | -            |
| Less: takaful on diminishing musharakah             |       | (7,248,036)      | (6,351,885)  |
|                                                     |       | 46,123,968       | 47,945,952   |

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

### 32 PROFIT ON MUSHARAKAH FINANCES

|                               |                  |                  |
|-------------------------------|------------------|------------------|
| Profit on musharakah finances | 6,351,223        | 2,982,245        |
| Less: Agency commission       | (322,500)        | (282,500)        |
|                               | <u>6,028,723</u> | <u>2,699,745</u> |

### 33 DIVIDEND INCOME ON EQUITY INVESTMENTS

#### Company Name

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

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

### 34 GAIN ON DISPOSAL OF SHORT TERM INVESTMENTS

2026

-----Rupees-----

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

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

|                                                                                                                      | Note                                                                                        | 2026                    | 2025              |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-------------------------|-------------------|
| <b>35 OTHER INCOME</b>                                                                                               |                                                                                             | <b>-----Rupees-----</b> |                   |
| Gain on disposal of owned fixed assets                                                                               |                                                                                             | 1,245,496               | 2,150,460         |
| Gain on disposal of ijarah assets                                                                                    | 7.1.4.1                                                                                     | 719,938                 | 1,908,293         |
| Profit on deposit and saving accounts with banks                                                                     |                                                                                             | 171,509                 | 378,779           |
| Miscellaneous income                                                                                                 | 35.1                                                                                        | 700,336                 | 834,762           |
|                                                                                                                      |                                                                                             | <u>2,837,279</u>        | <u>5,272,294</u>  |
| <b>35.1</b>                                                                                                          | This includes an amount of Rs. 610,500 (2025: Rs. 591,600) pertaining to documentation fee. |                         |                   |
| <b>36 PROVISION FOR DOUBTFUL RECEIVABLES</b>                                                                         | <b>Note</b>                                                                                 | <b>2026</b>             | <b>2025</b>       |
|                                                                                                                      |                                                                                             | <b>-----Rupees-----</b> |                   |
| Opening balance                                                                                                      |                                                                                             | 20,933,591              | 21,458,144        |
| Add: charged during the year                                                                                         | 36.1                                                                                        | 695,110                 | 124,447           |
| Less: trade receivable written off during the year                                                                   |                                                                                             | -                       | (100,000)         |
| Less: legal charges receivables' provision<br>written off due to settlement                                          |                                                                                             | -                       | -                 |
| Less: receivable against sale of Faisalabad property<br>written off due to settlement                                |                                                                                             | -                       | (549,000)         |
| Net provision charged/(reversal) for the year                                                                        | 36.1                                                                                        | 695,110                 | (524,553)         |
| Closing balance                                                                                                      | 36.2                                                                                        | 21,628,701              | 20,933,591        |
| <b>36.1 Break up of provision (net of reversals) for doubtful receivables charged during the year are as follow:</b> | <b>Note</b>                                                                                 | <b>2026</b>             | <b>2025</b>       |
|                                                                                                                      |                                                                                             | <b>-----Rupees-----</b> |                   |
| Long term musharakah finances                                                                                        | 9.3                                                                                         | 407,293                 | -                 |
| Short term murabaha finances                                                                                         | 12.2                                                                                        | -                       | 20,000            |
| Legal suits charges receivable                                                                                       | 17.3.1                                                                                      | (25,020)                | 111,964           |
| Short term musharakah finances                                                                                       | 14.1                                                                                        | (6,391)                 | -                 |
| Ijarah rent receivables                                                                                              | 13.4                                                                                        | 1,172,318               | (6,299)           |
| Long term murabaha finances                                                                                          | 8.4                                                                                         | (853,090)               | (1,218)           |
|                                                                                                                      |                                                                                             | <u>695,110</u>          | <u>124,447</u>    |
| <b>36.2 Break up of provision for doubtful receivables are as follows:</b>                                           |                                                                                             |                         |                   |
| Provision for doubtful short term murabaha finances                                                                  | 12.2                                                                                        | 8,420,000               | 8,420,000         |
| Provision for doubtful long term murabaha finances                                                                   | 8.4                                                                                         | 5,820,688               | 6,673,778         |
| Provision for Diminishing Musharakah finances                                                                        | 9.3                                                                                         | 4,142,115               | 3,734,822         |
| Provision for doubtful ijarah rental receivables                                                                     | 13.4                                                                                        | 2,437,358               | 1,265,040         |
| Provision for legal suits charges receivable                                                                         | 17.3.1                                                                                      | 493,870                 | 518,890           |
| Provision for Musharakah finances                                                                                    | 14.1                                                                                        | 314,670                 | 321,061           |
|                                                                                                                      |                                                                                             | <u>21,628,701</u>       | <u>20,933,591</u> |

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

### 37 OPERATING EXPENSES

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

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

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

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

| 2026                 | Chief Executive Officer | Executives        | Others            |
|----------------------|-------------------------|-------------------|-------------------|
|                      | -----Rupees-----        |                   |                   |
| Basic salary         | -                       | 8,192,018         | 4,627,601         |
| House rent allowance | -                       | 3,276,653         | 1,850,696         |
| Medical allowance    | -                       | 928,010           | 680,391           |
| Other allowances     | -                       | 83,550            | 806,495           |
| Retirement benefits  | -                       | 710,704           | 342,532           |
|                      | -                       | <b>13,190,935</b> | <b>8,307,715</b>  |
| Number of person(s)  | <b>1</b>                | <b>7</b>          | <b>13</b>         |
| 2025                 |                         |                   |                   |
| Basic salary         | -                       | 6,056,184         | 6,277,565         |
| House rent allowance | -                       | 2,422,248         | 2,534,090         |
| Medical allowance    | -                       | 605,568           | 931,141           |
| Other allowances     | -                       | 44,400            | 674,350           |
| Retirement benefits  | -                       | 605,616           | 408,769           |
|                      | -                       | <b>9,734,016</b>  | <b>10,825,915</b> |
| Number of person(s)  | <b>1</b>                | <b>3</b>          | <b>15</b>         |

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

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

|                                                                            |                                                                                                                                                                                                                                                                                                 | 2026             | 2025             |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                            |                                                                                                                                                                                                                                                                                                 | -----Rupees----- |                  |
| <b>37.4 Auditors' remuneration</b>                                         |                                                                                                                                                                                                                                                                                                 |                  |                  |
| Annual audit fee                                                           |                                                                                                                                                                                                                                                                                                 | 400,000          | 364,000          |
| Half yearly review                                                         |                                                                                                                                                                                                                                                                                                 | 107,800          | 98,000           |
| Code of corporate governance                                               |                                                                                                                                                                                                                                                                                                 | 132,000          | 120,000          |
| Other certifications                                                       |                                                                                                                                                                                                                                                                                                 | 96,000           | 80,000           |
| Shariah audit fee                                                          | 37.4.1                                                                                                                                                                                                                                                                                          | 75,000           | 150,000          |
| Out of pocket expenses                                                     |                                                                                                                                                                                                                                                                                                 | 142,200          | 157,000          |
|                                                                            |                                                                                                                                                                                                                                                                                                 | <u>953,000</u>   | <u>969,000</u>   |
| Sindh sales tax on services                                                |                                                                                                                                                                                                                                                                                                 | 142,950          | 77,520           |
|                                                                            |                                                                                                                                                                                                                                                                                                 | <u>1,095,950</u> | <u>1,046,520</u> |
| <b>37.4.1</b>                                                              | This represents the fee paid to ASAS Shariah Advisory (Private) Limited for the external Shariah audit for the year ended June 30, 2026.                                                                                                                                                        |                  |                  |
| <b>38 MODARABA MANAGEMENT COMPANY'S REMUNERATION AND RELATED SALES TAX</b> |                                                                                                                                                                                                                                                                                                 | 2026             | 2025             |
|                                                                            |                                                                                                                                                                                                                                                                                                 | -----Rupees----- |                  |
| Profit before management Company's remuneration                            |                                                                                                                                                                                                                                                                                                 | 17,249,501       | 26,863,543       |
| Percentage                                                                 |                                                                                                                                                                                                                                                                                                 | 10%              | 10%              |
|                                                                            | 38.1                                                                                                                                                                                                                                                                                            | <u>1,724,950</u> | <u>2,686,354</u> |
| Services sales tax on Management Company's remuneration                    | 38.2                                                                                                                                                                                                                                                                                            | 258,743          | 402,953          |
| Total                                                                      |                                                                                                                                                                                                                                                                                                 | <u>1,983,693</u> | <u>3,089,307</u> |
| <b>38.1</b>                                                                | The Modaraba Management Company is entitled to remuneration for services rendered to the Modaraba in accordance with the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, of up to a maximum of 10% per annum of the annual profits of the Modaraba. |                  |                  |
| <b>38.2</b>                                                                | Sindh sales tax levied by Sindh Government on remuneration of Modaraba Management Company has been charged at the rate of 15% (June 30, 2025:15%).                                                                                                                                              |                  |                  |
| <b>39 LEVY, MINIMUM TAX AND FINAL TAXES</b>                                |                                                                                                                                                                                                                                                                                                 | 2026             | 2025             |
|                                                                            |                                                                                                                                                                                                                                                                                                 | -----Rupees----- |                  |
| Final tax                                                                  | 39.1                                                                                                                                                                                                                                                                                            | 74,918           | 103,913          |
|                                                                            |                                                                                                                                                                                                                                                                                                 | <u>74,918</u>    | <u>103,913</u>   |
| <b>39.1</b>                                                                | This represents final taxes paid under section 150 of Income Tax Ordinance, 2001, in terms of requirements of IFRIC 21 and IAS 37.                                                                                                                                                              |                  |                  |
| <b>40 TAXATION</b>                                                         | <b>Note</b>                                                                                                                                                                                                                                                                                     | 2026             | 2025             |
|                                                                            |                                                                                                                                                                                                                                                                                                 | -----Rupees----- |                  |
| Current tax expense for the year                                           |                                                                                                                                                                                                                                                                                                 | 3,338,412        | 4,356,796        |
| Prior year taxation                                                        |                                                                                                                                                                                                                                                                                                 | 922,436          | 225,792          |
| Deferred tax                                                               |                                                                                                                                                                                                                                                                                                 | (754,148)        | 222,152          |
|                                                                            | 40.1                                                                                                                                                                                                                                                                                            | <u>3,506,700</u> | <u>4,804,740</u> |
| <b>40.1 Relationship between accounting profit and taxation</b>            |                                                                                                                                                                                                                                                                                                 |                  |                  |
| Accounting profit before taxation                                          |                                                                                                                                                                                                                                                                                                 | 14,960,492       | 23,298,751       |
| Tax at the applicable tax rate of 29% (2025: 29%)                          |                                                                                                                                                                                                                                                                                                 | 3,338,412        | 4,356,796        |
| Tax effect of:                                                             |                                                                                                                                                                                                                                                                                                 |                  |                  |
| - Permanent differences                                                    |                                                                                                                                                                                                                                                                                                 | (754,148)        | 222,152          |
| - Adjustments relating to prior years                                      |                                                                                                                                                                                                                                                                                                 | 922,436          | 225,792          |
|                                                                            |                                                                                                                                                                                                                                                                                                 | <u>3,506,700</u> | <u>4,804,740</u> |
| <b>41 EARNINGS PER CERTIFICATE - BASIC AND DILUTED</b>                     |                                                                                                                                                                                                                                                                                                 |                  |                  |
| Net profit for the year                                                    | Rupees                                                                                                                                                                                                                                                                                          | 11,378,874       | 18,390,098       |
| Weighted average number of certificates                                    | Number                                                                                                                                                                                                                                                                                          | 29,800,000       | 29,800,000       |
| Earnings per certificate                                                   | Rupees                                                                                                                                                                                                                                                                                          | 0.38             | 0.62             |
| <b>41.1</b>                                                                | There is no dilution effect on the basic earnings per certificate of the Modaraba.                                                                                                                                                                                                              |                  |                  |

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

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

### Changes in Financing Activities

|                                               | As at June 30,<br>2025 | Non - cash<br>Changes | Cash flows<br>(Net) | As at June 30,<br>2026 |
|-----------------------------------------------|------------------------|-----------------------|---------------------|------------------------|
|                                               |                        |                       | -----Rupees-----    |                        |
| Unclaimed profit distribution                 | 13,697,088             | (27,277,276)          | (58,450)            | 13,638,638             |
| Lease liabilities against right of use assets | 10,000,088             | (12,262,843)          | (5,478,952)         | 7,741,707              |
| Loan from Director                            | -                      | -                     | 5,000,000           | 5,000,000              |
|                                               | <u>23,697,176</u>      | <u>(39,540,119)</u>   | <u>(537,402)</u>    | <u>26,380,345</u>      |
|                                               |                        |                       |                     |                        |
|                                               | As at June 30,<br>2024 | Non - cash<br>Changes | Cash flows<br>(Net) | As at June 30,<br>2025 |
|                                               |                        |                       | -----Rupees-----    |                        |
| Unclaimed profit distribution                 | 12,828,131             | (12,494,176)          | (14,031,043)        | 13,697,088             |
| Lease liabilities against right of use assets | 7,942,065              | (12,643,511)          | (5,298,642)         | 10,000,088             |
|                                               | <u>20,770,196</u>      | <u>(25,137,687)</u>   | <u>(19,329,685)</u> | <u>23,697,176</u>      |

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

### 43 MATURITIES OF ASSETS AND LIABILITIES

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

|                                               |    | 2026             |                |                        |                 |
|-----------------------------------------------|----|------------------|----------------|------------------------|-----------------|
|                                               |    | Total            | Up to one year | One year to five years | Over five years |
| Note                                          |    | -----Rupees----- |                |                        |                 |
| <b>Assets:</b>                                |    |                  |                |                        |                 |
| Long term murabaha finances                   | 8  | 35,398,358       | 33,129,755     | 2,268,603              | -               |
| Long term musharakah finances                 | 9  | 206,265,751      | 85,340,652     | 120,925,099            | -               |
| Long term deposits                            | 10 | 189,662          | -              | 34,800                 | 154,862         |
| Short term murabaha finances - secured        | 12 | 25,360,000       | 25,360,000     | -                      | -               |
| Ijarah rental receivables - secured           | 13 | 1,731,915        | 1,731,915      | -                      | -               |
| Short term musharakah finances                | 14 | 30,835,330       | 30,835,330     | -                      | -               |
| Short term investments                        | 15 | 42,773,801       | 42,773,801     | -                      | -               |
| Advances and other receivables                |    | 6,259,131        | 6,259,131      | -                      | -               |
| Cash and bank balances                        | 18 | 6,855,659        | 6,855,659      | -                      | -               |
|                                               |    | 355,669,607      | 232,286,243    | 123,228,502            | 154,862         |
| <b>Liabilities:</b>                           |    |                  |                |                        |                 |
| Customers' long term security deposits        | 20 | 9,867,168        | 9,647,168      | 220,000                | -               |
| Lease liabilities against right of use assets | 21 | 7,741,707        | 2,510,492      | 5,231,215              | -               |
| Unclaimed profit distributions                | 23 | 13,638,638       | 13,638,638     | -                      | -               |
| Creditors, accrued and other liabilities      |    | 4,607,929        | 4,607,929      | -                      | -               |
| Charity payable                               | 25 | 28,533           | 28,533         | -                      | -               |
| Loan from Director                            | 22 | 5,000,000        | 5,000,000      | -                      | -               |
|                                               |    | 40,883,975       | 35,432,760     | 5,451,215              | -               |
| Net Balance                                   |    | 314,785,632      | 196,853,483    | 117,777,287            | 154,862         |
|                                               |    | 2025             |                |                        |                 |
|                                               |    | Total            | Up to one year | One year to five years | Over five years |
| Note                                          |    | -----Rupees----- |                |                        |                 |
| <b>Assets:</b>                                |    |                  |                |                        |                 |
| Long term murabaha finances                   | 8  | 47,438,985       | 40,282,404     | 7,156,581              | -               |
| Long term musharakah finances                 | 9  | 218,355,127      | 74,237,249     | 144,117,878            | -               |
| Long term deposits                            | 10 | 294,662          | -              | 139,800                | 154,862         |
| Short term murabaha finances - secured        | 12 | 25,380,000       | 25,380,000     | -                      | -               |
| Ijarah rental receivables - secured           | 13 | 3,387,715        | 3,387,715      | -                      | -               |
| Short term musharakah finances                | 14 | 10,178,689       | 10,178,689     | -                      | -               |
| Short term investments                        | 15 | 14,287,295       | 14,287,295     | -                      | -               |
| Advances, prepayments and other receivables   |    | 10,291,497       | 10,291,497     | -                      | -               |
| Cash and bank balances                        | 18 | 9,066,363        | 9,066,363      | -                      | -               |
|                                               |    | 338,680,333      | 187,111,212    | 151,414,259            | 154,862         |
| <b>Liabilities:</b>                           |    |                  |                |                        |                 |
| Customers' long term security deposits        | 20 | 17,020,118       | 5,840,750      | 11,179,368             | -               |
| Lease liabilities against right of use assets | 21 | 10,000,088       | 2,730,428      | 7,269,660              | -               |
| Unclaimed profit distributions                | 23 | 13,697,088       | 13,697,088     | -                      | -               |
| Creditors, accrued and other liabilities      |    | 5,928,348        | 5,928,348      | -                      | -               |
| Charity payable                               | 25 | 108,608          | 108,608        | -                      | -               |
|                                               |    | 46,754,250       | 28,305,222     | 18,449,028             | -               |
| Net Balance                                   |    | 291,926,083      | 158,805,990    | 132,965,231            | 154,862         |

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

### 44 RISK MANAGEMENT

#### 44.1 FINANCIAL RISK MANAGEMENT

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

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

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

##### 44.1.1 Market risk

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

##### 44.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Modaraba is not exposed to currency risk arising from currency exposure as Modaraba is not involved in foreign currency transactions.

##### 44.1.3 Profit rate risk

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

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

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

#### **Fair value sensitivity analysis for fixed rate instruments**

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

#### **Fair value sensitivity analysis for variable rate instruments**

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

#### **Cash flow sensitivity analysis for variable rate instruments**

If profit rates, as at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 11,657 (2025: Rs. 33,648) higher / lower. This analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting dates were outstanding for the whole year.

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

### 44.1.4 Price risk

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

The Modaraba controls this risk by restricting exposure to a single investee company to a maximum of 10% of the investee company's issued capital and the Modaraba's net assets, in accordance with the Modaraba Regulations, 2021. Portfolio allocations are reviewed regularly and at least on a quarterly basis to ensure appropriate diversification across industries and individual stocks as mentioned in note 15.2.

### 44.2 Credit risk

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

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

### 44.2.2 Concentration of credit risk

Geographically all credit exposure is concentrated in Pakistan.

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

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

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

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

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

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

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

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

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

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

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

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

### 44.3 Liquidity risk

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

The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation. Owing to the fact that the Modaraba is in a positive working capital position at the year end, the management believes the liquidity risk to be low.

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

|                                               | Carrying Amount   | Contractual cash flows | Less than 1 year  | Between 1 and 5 years | Over 5 years |
|-----------------------------------------------|-------------------|------------------------|-------------------|-----------------------|--------------|
| ----- (Rupees) -----                          |                   |                        |                   |                       |              |
| <b>June 30, 2026</b>                          |                   |                        |                   |                       |              |
| Lease liabilities against right of use assets | 7,741,707         | 7,741,707              | 2,510,492         | 5,231,215             | -            |
| Customers' long term security deposits        | 9,867,168         | 9,867,168              | 9,647,168         | 220,000               | -            |
| Unclaimed profit distributions                | 13,638,638        | 13,638,638             | 13,638,638        | -                     | -            |
| Creditors, accrued and other liabilities      | 8,104,316         | 8,104,316              | 8,104,316         | -                     | -            |
| Charity payable                               | 28,533            | 28,533                 | 28,533            | -                     | -            |
| Loan from Director                            | 5,000,000         | 5,000,000              | 5,000,000         | -                     | -            |
|                                               | <u>44,380,362</u> | <u>44,380,362</u>      | <u>38,929,147</u> | <u>5,451,215</u>      | <u>-</u>     |
| <b>June 30, 2025</b>                          |                   |                        |                   |                       |              |
| Lease liabilities against right of use assets | 10,000,088        | 10,000,088             | 2,730,428         | 7,269,660             | -            |
| Customers' long term security deposits        | 17,020,118        | 17,020,118             | 5,840,750         | 11,179,368            | -            |
| Unclaimed profit distributions                | 13,697,088        | 13,697,088             | 13,697,088        | -                     | -            |
| Creditors, accrued and other liabilities      | 9,328,475         | 9,328,475              | 6,453,796         | 2,874,679             | -            |
| Charity payable                               | 108,608           | 108,608                | 108,608           | -                     | -            |
|                                               | <u>50,154,377</u> | <u>50,154,377</u>      | <u>28,830,670</u> | <u>21,323,707</u>     | <u>-</u>     |

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

### 44.4 Fair value of financial instruments

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

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

#### Fair value estimation

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

#### Fair value hierarchy

Fair value hierarchy categories are described in note 4.19 to the financial statements.

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

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

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

### 44.5 Financial instruments by categories

|                                                            | Note        | At fair value through OCI (equity instruments designated upon initial recognition) | Amortized cost | Assets at fair value through profit or loss (Mandatorily Measured) | Total       |
|------------------------------------------------------------|-------------|------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------|-------------|
| -----Rupees-----                                           |             |                                                                                    |                |                                                                    |             |
| 2026                                                       |             |                                                                                    |                |                                                                    |             |
| Cash and bank balances                                     | 18          | -                                                                                  | 6,855,659      | -                                                                  | 6,855,659   |
| Short term investments                                     | 15          | -                                                                                  | -              | 42,773,801                                                         | 42,773,801  |
| Advances and other receivables                             | 17          | -                                                                                  | 6,259,131      | -                                                                  | 6,259,131   |
| Short term murabaha finances - secured                     | 12          | -                                                                                  | 25,360,000     | -                                                                  | 25,360,000  |
| Short term musharakah finances (secured - considered good) | 14          | -                                                                                  | 30,835,330     | -                                                                  | 30,835,330  |
| Diminishing musharakah financing - secured                 | 9           | -                                                                                  | 206,265,751    | -                                                                  | 206,265,751 |
| Ijarah rental receivables - secured                        | 13          | -                                                                                  | 1,731,915      | -                                                                  | 1,731,915   |
| Murabaha finances - secured                                | 8           | -                                                                                  | 35,398,358     | -                                                                  | 35,398,358  |
| Long term and short term deposits                          | 10          | -                                                                                  | 294,662        | -                                                                  | 294,662     |
|                                                            |             | -                                                                                  | 313,000,806    | 42,773,801                                                         | 355,774,607 |
| 2025                                                       |             |                                                                                    |                |                                                                    |             |
| Cash and bank balances                                     | 18          | -                                                                                  | 9,066,363      | -                                                                  | 9,066,363   |
| Short term investments                                     | 15          | -                                                                                  | -              | 14,287,295                                                         | 14,287,295  |
| Advances and other receivables                             | 17          | -                                                                                  | 5,341,360      | -                                                                  | 5,341,360   |
| Murabaha finances - secured                                | 12          | -                                                                                  | 25,380,000     | -                                                                  | 25,380,000  |
| Short term musharakah finances (secured - considered good) | 14          | -                                                                                  | 10,178,689     | -                                                                  | 10,178,689  |
| Diminishing musharakah financing                           | 9           | -                                                                                  | 218,355,127    | -                                                                  | 218,355,127 |
| Ijarah rental receivables - secured                        | 13          | -                                                                                  | 3,387,715      | -                                                                  | 3,387,715   |
| Murabaha finances                                          | 8           | -                                                                                  | 47,438,985     | -                                                                  | 47,438,985  |
| Long term and short term deposits                          | 10          | -                                                                                  | 294,662        | -                                                                  | 294,662     |
|                                                            |             | -                                                                                  | 319,442,901    | 14,287,295                                                         | 333,730,196 |
| -----Rupees-----                                           |             |                                                                                    |                |                                                                    |             |
| <b>Financial liabilities at amortized cost</b>             | <b>Note</b> |                                                                                    | <b>2026</b>    | <b>2025</b>                                                        |             |
| Lease liabilities against right of use assets              | 21          |                                                                                    | 7,741,707      | 10,000,088                                                         |             |
| Unclaimed profit distributions                             | 23          |                                                                                    | 13,638,638     | 13,697,088                                                         |             |
| Creditors, accrued and other liabilities                   | 24          |                                                                                    | 8,104,316      | 9,328,475                                                          |             |
| Charity payable                                            | 25          |                                                                                    | 28,533         | 108,608                                                            |             |
| Loan from director                                         |             |                                                                                    | 5,000,000      | -                                                                  |             |
|                                                            |             |                                                                                    | 34,513,194     | 33,134,259                                                         |             |

### 44.6 Operational risks

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

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

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

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

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

### 44.7 Capital risk management

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

The Modaraba finances its operations through equity and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

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

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

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

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

### 45 REMUNERATION OF EXECUTIVES / KEY MANAGEMENT PERSONNEL

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

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

- 45.1 Some executives have been provided with the Modaraba maintained cars and are also entitled for reimbursement of fuel expenses. Chief executive officer has nil salary benefits as disclosed in note 37.3.

### 46 GENDER PAY GAP STATEMENT

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

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

### 47 TRANSACTIONS WITH RELATED PARTIES

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

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

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

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

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

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

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

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

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

#### 48 SEGMENT REPORTING

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

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

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

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

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. There were no transfers between operating segments during the year (2025: Nil).

#### 48.2 Segment analysis

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

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

Rupees

#### Segment revenues / profits

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

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

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

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

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

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

There are no asymmetrical allocations to reportable segments.

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

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

|      |                                                                                                                                                                                                                     |                                     |                                          |                                          |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------|------------------------------------------|
| 49   | NUMBER OF EMPLOYEES                                                                                                                                                                                                 | 2026<br>----- No of employees ----- |                                          | 2025                                     |
|      | Number of employees as at June 30,                                                                                                                                                                                  | 14                                  |                                          | 16                                       |
|      | Average number of employees during the year                                                                                                                                                                         | 15                                  |                                          | 16                                       |
| 50   | PROVIDENT FUND                                                                                                                                                                                                      | 2026<br>Audited                     |                                          | 2025<br>Audited                          |
|      | Size of the fund (in rupees)                                                                                                                                                                                        | 7,564,838                           |                                          | 9,705,492                                |
|      | Percentage of investments made                                                                                                                                                                                      | 79.31%                              |                                          | 77.28%                                   |
|      | Fair value of investments (in rupees)                                                                                                                                                                               | 6,000,000                           |                                          | 7,500,000                                |
|      | Cost of investments made (in rupees)                                                                                                                                                                                | 6,000,000                           |                                          | 7,500,000                                |
| 50.1 | Break-up of investment in terms of amount and percentage of the size of the provident fund are as follows:                                                                                                          |                                     |                                          |                                          |
|      |                                                                                                                                                                                                                     | 2026                                |                                          | 2025                                     |
|      |                                                                                                                                                                                                                     | Investment<br>Rupees                | Investment<br>as a % of size<br>of funds | Investment<br>Rupees                     |
|      |                                                                                                                                                                                                                     |                                     |                                          | Investment<br>as a % of size<br>of funds |
|      | Investment in Term Deposits                                                                                                                                                                                         | 6,000,000                           | 79.31%                                   | 7,500,000                                |
|      |                                                                                                                                                                                                                     | 6,000,000                           |                                          | 7,500,000                                |
| 50.2 | Investments out of the funds of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.                                |                                     |                                          |                                          |
| 51   | SUBSEQUENT EVENT                                                                                                                                                                                                    |                                     |                                          |                                          |
|      | Subsequent to reporting date, Al-Zamin Modaraba Management (Private) Limited has reduced its certificate holding to 10% in the modaraba after taking specific approval from SECP.                                   |                                     |                                          |                                          |
| 52   | SPECIFIC DISCLOSURES FOR SHARIA COMPLIANT COMPANIES                                                                                                                                                                 |                                     |                                          |                                          |
|      | The disclosures required under clause 10 of item no. VI and item no. VII of the Fourth Schedule of the Companies Act, 2017 for sharia complaint companies and the companies listed on Islamic index are as follows: |                                     |                                          |                                          |
|      | i) Balance as at June 30, 2026:                                                                                                                                                                                     | Note                                | 2026                                     | 2025                                     |
|      |                                                                                                                                                                                                                     |                                     | -----Rupees-----                         |                                          |
|      | Liabilities                                                                                                                                                                                                         |                                     |                                          |                                          |
|      | Lease liabilities against right of use assets                                                                                                                                                                       | 21                                  | 7,741,707                                | 10,000,088                               |
|      | Assets                                                                                                                                                                                                              |                                     |                                          |                                          |
|      | Short term investments                                                                                                                                                                                              | Shariah compliant                   | 15                                       | 42,773,801                               |
|      | Cash and bank balances                                                                                                                                                                                              | Shariah compliant                   | 18 & 18.1                                | 6,837,924                                |
|      |                                                                                                                                                                                                                     |                                     |                                          | 14,287,295                               |
|      |                                                                                                                                                                                                                     |                                     |                                          | 9,066,363                                |
|      | ii) Transactions for the year ended June 30, 2026:                                                                                                                                                                  |                                     |                                          |                                          |
|      | Income from ijarah - net                                                                                                                                                                                            | Shariah compliant                   | 29                                       | 4,006,621                                |
|      | Profit on murabaha finances                                                                                                                                                                                         | Shariah compliant                   | 30                                       | 2,938,262                                |
|      | Profit on diminishing musharakah finances                                                                                                                                                                           | Shariah compliant                   | 31                                       | 46,123,968                               |
|      | Profit on musharakah finances                                                                                                                                                                                       | Shariah compliant                   | 32                                       | 6,028,723                                |
|      | Dividend income on equity investments                                                                                                                                                                               | Shariah compliant                   | 33                                       | 586,265                                  |
|      | Gain on sale of short term investments                                                                                                                                                                              | Shariah compliant                   |                                          | 5,691,840                                |
|      | Other income                                                                                                                                                                                                        | Shariah compliant                   | 35                                       | 2,837,279                                |
|      |                                                                                                                                                                                                                     |                                     |                                          | 7,409,613                                |
|      |                                                                                                                                                                                                                     |                                     |                                          | 3,884,521                                |
|      |                                                                                                                                                                                                                     |                                     |                                          | 47,945,952                               |
|      |                                                                                                                                                                                                                     |                                     |                                          | 2,699,745                                |
|      |                                                                                                                                                                                                                     |                                     |                                          | 799,000                                  |
|      |                                                                                                                                                                                                                     |                                     |                                          | 4,564,535                                |
|      |                                                                                                                                                                                                                     |                                     |                                          | 5,272,294                                |
|      | Source and detailed breakup of other income:                                                                                                                                                                        |                                     |                                          |                                          |
|      | Gain on disposal of ijarah assets                                                                                                                                                                                   | Shariah compliant                   | 7.1.4                                    | 719,938                                  |
|      | Profit on deposit and saving accounts with banks                                                                                                                                                                    | Shariah compliant                   |                                          | 171,509                                  |
|      | Miscellaneous income                                                                                                                                                                                                | Shariah compliant                   | 35.1                                     | 700,336                                  |
|      |                                                                                                                                                                                                                     |                                     |                                          | 1,908,293                                |
|      |                                                                                                                                                                                                                     |                                     |                                          | 378,779                                  |
|      |                                                                                                                                                                                                                     |                                     |                                          | 834,762                                  |
|      | Expense on ijarah assets:                                                                                                                                                                                           |                                     |                                          |                                          |
|      | Unwinding of lease liabilities                                                                                                                                                                                      | Shariah compliant                   | 37                                       | (1,628,682)                              |
|      |                                                                                                                                                                                                                     |                                     |                                          | (2,678,014)                              |

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

### iii) Names of the Company's shariah compliant financial institutions

1. Meezan Bank Limited
2. First Habib Modaraba
3. UDL Modaraba
4. Alfalah Asset Management Limited

### Arrangement

Bank deposit  
Diminishing Musharakah  
Diminishing Musharakah  
Short Term Investment

### iv) Takaful operators:

Adamjee Insurance Company Limited  
IGI General Insurance Limited  
Security General Insurance Company Limited  
Jubilee General Insurance Company Limited  
Premier Insurance Limited  
TPL Direct Insurance Limited

Window Takaful  
Window Takaful  
Window Takaful  
Window Takaful  
Window Takaful  
Window Takaful

## 53 CORRESPONDING FIGURES

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

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

## 54 GENERAL

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

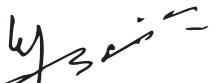
## 55 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were approved for issue by the Board of Directors of the Management Company in its meeting held on 24<sup>th</sup> September, 2026.

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

## PATTERN OF CERTIFICATE HOLDING

AS ON 30 JUNE, 2026

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

## CATEGORIES OF CERTIFICATEHOLDERS AS AT JUNE, 2026

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

Certificateholders holding five percent or more certificate in the Modaraba

|                                                |   |              |       |
|------------------------------------------------|---|--------------|-------|
| Al-Zamin Modaraba Management (Private) Limited | 1 | 5,261,388.00 | 17.66 |
|------------------------------------------------|---|--------------|-------|



## **KARACHI**

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E-mail: [info@trustmodaraba.com](mailto:info@trustmodaraba.com)

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