

THIRTY SECOND ANNUAL REPORT 2026



FIRST IMROOZ MODARABA

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FIRST IMROOZ MODARABA

VISION / MISSION STATEMENT

IMROOZ is committed to:

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

CODE OF CONDUCT

1. The objective of Imrooz is to engage efficiently, responsibly and profitably in its businesses. Imrooz seeks a high standard of performance and aims to maintain a long term position in its respective competitive environment.
2. Imrooz recognizes the responsibility:
 - to protect its certificate holder's investment and strive hard to provide them with better return;
 - to maintain and enhance its customer base by providing products and services which offer value in terms of price and quality.
 - to encourage growth of its employees, provide them with good working conditions and competitive terms and conditions of service and treat them without any discriminative policies on the basis of race, religion, gender or any other factor.
 - to conduct business as responsible corporate members of the society, and to comply with obligations enforced by regulatory agencies for improving corporate performance.
3. Imrooz insists on honesty, integrity and fairness in all aspects of their business.
4. Imrooz believes in free and fair business practices in open competitive markets.

MODARABA INFORMATION

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



Shariah Advisor

Mufti Abdul Qadir

Principal place of business

Room No. 405, 4th Floor
Beaumont Plaza, Beaumont Road
Civil Lines Quarters, Karachi.

Registered Office of the Modaraba Company

125-S, Small Industrial Area
Kot Lakhpat, Lahore.

Certificate Registration Office

F.D. Registrar Services (Pvt) Limited
Office No. 1705, 17th Floor, Saima
Trade Tower-A, I.I. Chundrigar Road,
Karachi.

CHAIRMAN REPORT

Dear Certificate Holders,

I am pleased to present the report on the affairs of First Imrooz Modaraba for the year ended June 30, 2026, and to provide an overview of the performance of the Board of Directors in achieving the Modaraba's strategic objectives during this period.

The year 2026 continued to pose economic challenges, with persistent inflationary pressures and a volatile market environment, further compounded by ongoing geopolitical tensions that kept global commodity prices and financial markets under pressure. In this environment, the Modaraba recorded sales revenue of Rs. 1,054.09 million, which declined by 15.5% from last year's Rs. 1,247.44 million.

Gross Profit for the year amounted to Rs. 229.18 million, as compared to Rs. 289.92 million in the previous year. Net profit for the year stood at Rs. 39.50 million as compared to Rs. 95.45 million last year. The decrease was mainly due to lower gross profit on reduced sales and lower other income, as the previous year included a one-off liability write-back of Rs. 15.49 million following the favourable judgment of the Honourable Sindh High Court. This was partly offset by lower operating expenses and financial charges.

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

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

Omar Mohammad Khan
Chairman
Board of Directors

September 28, 2026

چیمبرین رپورٹ

معزز سرٹیفکیٹ ہولڈرز،

مجھے 30 جون 2026ء کو ختم ہونے والے سال کے لیے فرسٹ امروڑ مضاربہ کے امور پر رپورٹ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے، جس میں اس عرصے کے دوران مضاربہ کے اسٹریٹجک مقاصد کے حصول میں بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ بھی پیش کیا گیا ہے۔

سال 2026ء بھی معاشی چیلنجز سے بھرپور رہا۔ مہنگائی کا مسلسل دباؤ اور مارکیٹ کا غیر مستحکم ماحول برقرار رہا، جبکہ جاری جغرافیائی و سیاسی کشیدگی کے باعث عالمی اجناس کی قیمتیں اور مالیاتی منڈیاں بھی دباؤ کا شکار رہیں۔ ان حالات میں مضاربہ کی فروخت 1,054.09 ملین روپے رہی، جو گزشتہ سال کی 1,247.44 ملین روپے کی فروخت کے مقابلے میں 15.5 فیصد کم ہے۔

مجموعی منافع گزشتہ سال کے 289.92 ملین روپے کے مقابلے میں 229.18 ملین روپے رہا۔ بعد از ٹیکس منافع گزشتہ سال کے 95.45 ملین روپے کے مقابلے میں 39.50 ملین روپے رہا۔ اس کمی کی بنیادی وجوہات فروخت میں کمی کے باعث مجموعی منافع میں کمی اور دیگر آمدنی میں کمی ہیں، کیونکہ گزشتہ سال کی آمدنی میں معزز سندھ ہائی کورٹ کے سازگار فیصلے کے نتیجے میں 15.49 ملین روپے کی واجبات کی یکمشت واپسی شامل تھی۔ آپریٹنگ اخراجات اور مالیاتی چارجز میں کمی نے اس اثر کو جزوی طور پر کم کیا۔

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

بورڈ کو آڈٹ اور ایچ آر کمیٹیوں کی معاونت حاصل ہے۔ بورڈ نے کاروبار کی حکمت عملی کی سمت متعین کرنے میں انتظامیہ کی رہنمائی جاری رکھی۔ بورڈ شریعہ کمپلائنس فریم ورک سے بخوبی آگاہ ہے اور انتظامیہ کو ہدایت کرتا ہے کہ تمام لین دین شرعی قوانین اور اصولوں کے عین مطابق ہوں، جیسا کہ شریعہ ایڈوائزرز کی جانب سے بھی مشورہ دیا گیا ہے۔

عمر محمد خان
چیمبرین
بورڈ آف ڈائریکٹرز

28 ستمبر 2026ء

REPORT OF THE DIRECTORS

The Board of Directors of A.R Management Services (Private) Limited, the management company of First Imrooz Modaraba would like to present to its certificate holders annual report of First Imrooz Modaraba along with audited financial statements for the year ended June 30, 2026.

1. Operating Results

The financial results of the Modaraba are summarized below:

		(Rupees in million)	
		2026	2025
Profit before levies and taxation		82.07	144.72
Levies		42.57	49.27
Profit after taxation		39.50	95.45
Earnings per certificate – basic & diluted	Rs.	13.17	31.82

2. Review of Financial Performance

During the financial year 2026, the Modaraba operated in a challenging and volatile business environment, characterized by subdued market activity, pricing pressures, rising input costs and disruptions arising from regional and geopolitical conditions. These factors affected demand, sales volumes and overall business performance during the year.

The Modaraba recorded turnover of Rs. 1,054.09 million in 2026 compared with Rs. 1,247.44 million in 2025, reflecting a decline of approximately 15.5%. The lower sales volume, coupled with continued cost and pricing pressures, resulted in gross profit decreasing from Rs. 289.92 million in 2025 to Rs. 229.18 million in 2026.

The Board of Directors has decided to distribute a profit of Rs. 10/- per certificate to the certificate holders.

The management remains focused on strengthening business volumes, improving operational efficiencies, managing costs and addressing market challenges to support sustainable business performance going forward.

3. Auditors

The present auditors, M/s Reanda Haroon Zakaria Aamir Salman Rizwan & Co., Chartered Accountants, being due for retirement have offered themselves for re-appointment for the year ending June 30, 2027. The Directors have approved their appointment subject to approval of the Registrar, Modaraba Companies and Modaraba.

4. Corporate Governance

Your directors are pleased to report that:

- The financial statements prepared by the management company of the Modaraba, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- Approved International Accounting Standards, as applicable in Pakistan to Modarabas, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Modaraba's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Statement summarizing key operating and financial data for the current year as well as for the last seven years is given as under:

Particulars	(Rupees in 'Million)							
	2026	2025	2024	2023	2022	2021	2020	2019
Fixed Assets	19.3	16.4	13.2	16.0	9.7	5.4	6.9	10.1
Working Capital	252.6	264.2	209.5	150.0	188.8	235.4	191.9	159.3
Certificate Holders Equity	266.8	272.3	221.9	164.5	183.7	202.4	161.3	138.2
Paid-up Certificate Capital	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Sales	1,054.1	1,247.4	1,260.1	1,668.5	1,378.8	1,080.0	555.1	705.6
Gross Profit	229.2	289.9	268.06	166.7	182.0	215.6	126.4	132.8
Profit before Levy & Taxation	82.1	144.7	138.7	74.3	86.8	113.2	56.6	58.6
Profit Distribution – Cash	100%	150%	150%	50%	55%	155%	75%	50%
Earnings / (Loss) per Certificate-Rs.	13.17	31.82	24.11	(0.9)	8.1	21.4	11.7	8.4
Break-up value per Certificate-Rs.	88.93	90.77	73.95	54.8	61.3	67.5	53.8	46.4

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

5. Transfer Pricing

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

6. Composition of board

The composition of board is as follows:

Category	Names
A) Executive Directors	Mr. Naveed Riaz Mr. Ameer Riaz
B) Non-Executive Directors	Mr. Omar Mohammad Khan
C) Independent Director	Mr. Aliuddin Ahmed
D) Female Director	Vacant*

*As at the reporting date, the position of female director on the Board stands vacant due to the sad demise of last female director, Mrs. Saadat Ikram. The board has approved appointment of a new female director which is subject to approval of the Registrar, Modaraba Companies and Modaraba.

7. Remuneration Policy of Chief Executive and Directors

No remuneration is paid to the Chief Executive and Directors.

8. Board Meetings

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

	Attended
Mr. Naveed Riaz	4
Mr. Ameer Riaz	4
Mr. Omar Mohammad Khan	4
Mr. Aliuddin Ahmed	4

9. Acknowledgement

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

For and on behalf of the Board of Directors

Naveed Riaz

Chief Executive

28 September 2026

Ameed Riaz

Director

ڈائریکٹرز کی رپورٹ

فرسٹ امروز مضاربہ کی انتظامی کمپنی اے آر اینجمنٹ سروسز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز مسرت کے ساتھ مضاربہ کی سالانہ رپورٹ، 30 جون 2026ء کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں کے ہمراہ، سرٹیفکیٹ ہولڈرز کی خدمت میں پیش کرتے ہیں۔

نمایاں مالیاتی نکات

مضاربہ کے مالیاتی نتائج مندرجہ ذیل ہیں:

(ملین روپوں میں)	
30-Jun-25	30-Jun-26
144.72	82.07
49.27	42.57
95.45	39.50
31.82	13.17

روپے

قبل از محصولات و ٹیکس منافع

محصولات (لیویز)

بعد از ٹیکس منافع

فی سرٹیفکیٹ آمدنی (بنیادی اور تحلیل شدہ)

کارکردگی کا جائزہ

مالی سال 2026ء کے دوران مضاربہ کو ایک مشکل اور غیر مستحکم کاروباری ماحول کا سامنا رہا، جس میں مارکیٹ کی سست سرگرمی، قیمتوں پر دباؤ، بڑھتی ہوئی لاگت اور علاقائی و جغرافیائی سیاسی حالات سے پیدا ہونے والی رکاوٹیں نمایاں تھیں۔ ان عوامل نے سال بھر طلب، فروخت کے حجم اور مجموعی کاروباری کارکردگی کو متاثر کیا۔

سال 2026ء میں مضاربہ کا کاروبار 1,054.09 ملین روپے رہا، جو سال 2025ء کے 1,247.44 ملین روپے کے مقابلے میں تقریباً 15.5 فیصد کم ہے۔ فروخت کے حجم میں کمی اور لاگت و قیمتوں کے مسلسل دباؤ کے باعث مجموعی منافع سال 2025ء کے 289.92 ملین روپے سے کم ہو کر سال 2026ء میں 229.18 ملین روپے رہا۔

بورڈ آف ڈائریکٹرز نے سرٹیفکیٹ ہولڈرز کو فی سرٹیفکیٹ 10 روپے منافع تقسیم کرنے کا فیصلہ کیا ہے۔
انتظامیہ کاروباری حجم میں اضافے، آپریشنل کارکردگی میں بہتری، اخراجات پر قابو اور مارکیٹ کے چیلنجز سے نمٹنے پر اپنی توجہ مرکوز رکھے ہوئے ہے تاکہ مستقبل میں پائیدار کاروباری کارکردگی کو یقینی بنایا جاسکے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ریاندا ہارون زکریا عام سلمان رضوان اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہونے کے بعد 30 جون 2027ء کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے خود کو پیش کر رہے ہیں۔ ڈائریکٹرز نے ان کی تقرری کی منظوری دے دی ہے، جو رجسٹرڈ مضاربہ کمپنیز اور مضاربہ کی منظوری سے مشروط ہے۔

کارپوریٹ گورننس

ڈائریکٹرز مسرت کے ساتھ رپورٹ کرتے ہیں کہ:

1. مضاربہ کی انتظامی کمپنی کے تیار کردہ مالیاتی گوشوارے مضاربہ کے مالی امور، عملی نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
2. مضاربہ کے حسابات کی کتابیں باقاعدگی سے رکھی گئی ہیں۔
3. مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا تسلسل کے ساتھ اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں۔
4. مالیاتی گوشواروں کی تیاری میں پاکستان میں مضاربہ پر قابل اطلاق منظور شدہ بین الاقوامی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے اور کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے۔
5. اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے اور اسے موثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔
6. مضاربہ کے بطور جاری ادارہ کام جاری رکھنے کی صلاحیت پر کوئی اہم شکوک و شبہات نہیں ہیں۔
7. لسٹنگ ریگولیشنز میں درج کارپوریٹ گورننس کے بہترین طریقوں سے کوئی قابل ذکر انحراف نہیں ہوا۔
8. موجودہ سال اور گزشتہ سات سالوں کے اہم آپریشننگ اور مالیاتی اعداد و شمار کا خلاصہ درج ذیل ہے:

(Rupees in 'Million)								
Particulars	2026	2025	2024	2023	2022	2021	2020	2019
Fixed Assets	19.3	16.4	13.2	16.0	9.7	5.4	6.9	10.1
Working Capital	252.6	264.2	209.5	150.0	188.8	235.4	191.9	159.3
Certificate Holders Equity	266.8	272.3	221.9	164.5	183.7	202.4	161.3	138.2
Paid-up Certificate Capital	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Sales	1,054.1	1,247.4	1,260.1	1,668.5	1,378.8	1,080.0	555.1	705.6
Gross Profit	229.2	289.9	268.06	166.7	182.0	215.6	126.4	132.8
Profit before Levy & Taxation	82.1	144.7	138.7	74.3	86.8	113.2	56.6	58.6
Profit Distribution – Cash	100%	150%	150%	50%	55%	155%	75%	50%
Earnings / (Loss) per Certificate-Rs.	13.17	31.82	24.11	(0.9)	8.1	21.4	11.7	8.4
Break-up value per Certificate-Rs.	88.93	90.77	73.95	54.8	61.3	67.5	53.8	46.4

9. مضاربہ رولز اور پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کے تحت درکار سرٹیفکیٹ ہولڈنگ کا خاکہ اور سرٹیفکیٹ ہولڈرز سے متعلق معلومات اس رپورٹ میں شامل ہیں۔

منتقلی کی قیمتوں کا تعین
 ڈائریکٹریہ بتاتے ہوئے مسرت محسوس کرتے ہیں کہ مضاربہ نے پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں درج منتقلی کی قیمتوں کے تعین (ٹرانسفر پرائسنگ) کے بہترین طریقوں کی مکمل پاسداری کی ہے۔

بورڈ کی تشکیل

عہدہ	نام
ایگزیکٹو ڈائریکٹر	جناب نوید ریاض جناب عمید ریاض
نان ایگزیکٹو ڈائریکٹر	جناب عمر محمد خان
غیر جانبدار ڈائریکٹر	جناب علی الدین احمد
خاتون ڈائریکٹر	خالی*

* رپورٹ کی تاریخ تک بورڈ میں خاتون ڈائریکٹر کا عہدہ سابقہ خاتون ڈائریکٹر محترمہ سعادت اکرام (مرحومہ) کے انتقال کے باعث خالی ہے۔ بورڈ نے نئی خاتون ڈائریکٹر کی تقرری کی منظوری دے دی ہے، جو رجسٹرار مضاربہ کمپنیز اور مضاربہ کی منظوری سے مشروط ہے۔

ڈائریکٹرز کا معاوضہ
چیف ایگزیکٹو اور ڈائریکٹرز کو کوئی معاوضہ ادا نہیں کیا جاتا۔

بورڈ کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے چار (4) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

شرکت کی تعداد

4

جناب نوید ریاض

4

جناب عمید ریاض

4

جناب عمر محمد خان

4

جناب علی الدین احمد

اعتراف نامہ

بورڈ اس موقع پر رجسٹرار مضاربہ اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے دیگر حکام کی مسلسل رہنمائی اور تعاون پر اظہارِ تشکر کرتا ہے۔ بورڈ اپنے سرٹیفکیٹ ہولڈرز، رفقاء کار، سرمایہ کاروں، بینکاروں اور کاروباری شراکت داروں کا بھی ان کے مسلسل تعاون پر شکریہ ادا کرتا ہے، اور بالخصوص مضاربہ کے ہر ملازم کی لگن اور محنت کو سراہتا ہے۔

منجانب بورڈ

عمید ریاض
ڈائریکٹر

نوید ریاض
چیف ایگزیکٹو

28 ستمبر 2026ء

TEN YEARS AT A GLANCE

(Rupees in million)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Balance Sheet Information										
Authorized capital	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Certificate capital	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000
Statutory reserve & surplus	236.799	242.304	191.858	134.539	153.737	172.382	131.259	109.163	104.861	107.472
Certificate holders' equity	266.799	272.304	221.858	164.539	183.737	202.382	161.259	139.163	134.861	137.472
Deferred liability - staff gratuity	3.951	6.720	6.720	6.720	12.737	36.443	34.840	30.196	25.037	21.263
Qard-e-Hasana from Modaraba management company	-	3.000	-	-	55.000	-	15.800	-	120.000	34.300
Musawamah / Murabaha / Musharaka / Salam financing	161.573	192.936	141.423	142.032	74.120	63.780	88.664	74.637	35.230	34.371
Non current liabilities	5.122	8.293	7.533							
Current liabilities	304.019	398.240	310.301	610.479	690.402	358.079	166.173	171.869	255.192	212.043
Fixed Assets	19.338	16.410	13.204	16.003	9.677	5.350	6.898	10.119	12.969	13.347
Stock-in-trade	357.310	450.669	312.073	378.195	648.475	304.553	215.103	212.679	265.574	258.027
Trade debtors	178.822	204.652	205.683	311.213	200.167	269.762	116.713	98.603	113.779	83.997
Investments	-	-	-	-	-	-	-	-	-	-
Current assets	556.602	662.427	526.488	767.157	879.232	593.511	358.107	331.110	402.120	357.050
Operational Results										
Sales	1,054.093	1,247.437	1,260.138	1,668.529	1,378.793	1,080.003	555.117	705.649	897.589	734.216
Cost of sales	824.913	957.518	992.077	1,501.743	1,196.786	864.359	428.749	572.872	753.652	615.605
Gross profit	229.180	289.918	268.061	166.786	182.007	215.644	126.368	132.777	143.937	118.611
Other income	4.706	21.504	0.521	2.868	8.969	2.831	1.110	1.541	0.508	2.138
Financial charges	21.695	26.126	34.802	20.124	4.625	5.287	7.303	8.101	2.564	2.346
Workers welfare fund	-	-	2.831	1.518	1.726	2.310	1.156	1.195	6.254	(1.072)
Operating & other expenses	130.121	140.576	76.481	73.651	94.897	82.972	62.373	66.453	62.522	54.444
(Diminution) / unrealised appreciation on remeasurement of investment - net	-	-	-	-	-	-	-	-	-	-
Operating profit	99.059	149.342	191.580	93.135	87.110	132.673	63.995	66.324	81.415	64.167
Profit payable to the modaraba company as their remuneration	-	-	15.730	-	2.880	14.715	-	-	-	-
Profit before tax	82.070	144.720	138.738	74.361	86.848	113.192	56.646	58.568	73.105	65.031
Taxation	42.575	49.274	66.420	77.059	62.479	49.007	21.531	33.259	42.554	31.732
Profit / (Loss) after tax	39.495	95.446	72.319	(2.698)	24.369	64.185	35.115	25.310	30.551	33.299
Transfer to statutory reserve	-	-	-	-	1.218	12.837	10.534	8.858	12.220	1.665
Transfer to statutory reserve (%)	0%	0%	0%	0%	5%	20%	30%	35%	40%	5%
Profit Distribution										
Profit distribution	30.000	45.000	45.000	15.000	16.500	46.500	22.500	15.000	17.010	30.000
Rate per certificate	100.00%	150.00%	150.00%	50.00%	55.00%	155.00%	75.00%	50.00%	56.70%	100.00%
Financial Ratios										
Gross profit - % of sales	21.74%	23.24%	21.27%	10.00%	13.20%	19.97%	22.76%	18.82%	16.04%	16.15%
Operating expenses - % of sales	12.34%	11.27%	6.07%	4.41%	6.88%	7.68%	11.24%	9.42%	6.97%	7.42%
Operating profit - % of sales	9.40%	11.97%	15.20%	5.58%	6.32%	12.28%	11.53%	9.40%	9.07%	8.74%
Debts - % of total assets	53.68%	59.89%	58.89%	79.00%	79.00%	66.00%	56.00%	59.00%	61.48%	57.25%
Profit before tax - % of sales & other income	7.75%	11.40%	11.01%	4.45%	6.26%	10.45%	10.18%	8.28%	8.14%	8.83%
Profit / (Loss) after tax - % of sales & other income	3.73%	7.52%	5.74%	(0.16)%	1.76%	5.93%	6.31%	3.58%	3.40%	4.52%
Return to Certificate holders										
Return on equity - before tax	30.76%	53.15%	62.53%	45.19%	47.27%	55.93%	35.13%	42.09%	54.21%	47.30%
Return on equity - after tax	14.80%	35.05%	32.60%	(1.64)%	13.26%	31.71%	21.78%	18.19%	22.65%	24.22%
Earning per certificate - Rs.	13.17	31.82	24.11	(0.90)	8.12	21.40	11.70	8.44	10.18	11.10
Profit distribution per certificate - Rs.	10.00	15.00	15.00	5.00	5.50	15.50	7.50	5.00	5.67	10.00
Market price per certificate - Rs.	215.92	183.35	173.00	158.00	166.90	147.00	89.36	155.59	219.57	230.50
Break-up value per certificate - Rs.	88.93	90.77	73.95	54.85	61.25	67.46	53.75	46.39	44.95	45.82

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

Opinion

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

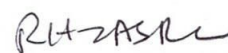
In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 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 International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Modaraba and A R Management Services (Private) Limited (the Modaraba Management Company) in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 17.2 to the accompanying financial statements, which sets out the Modaraba's accounting treatment and legal position in respect of the Workers' Welfare Fund. Our opinion is not modified in respect of this matter.



Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Suite Nos. M13, 709 & 710 Progressive Plaza, Beaumont Road, Karachi 75530, Pakistan.
Tel: +92 (21) 3567 4741-44 Fax: +92 (21) 3567 4745 | Email: info@hzasrkh.pk | www.hzasr.pk

Other offices at:
Lahore and Islamabad

Key Audit matters

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

Following are the key audit matters, namely:

<i>S.No.</i>	<i>Key Audit Matters</i>	<i>How the matter was addressed in our audit</i>
<i>1</i>	<i>Valuation of stock-in-trade</i>	
	Refer notes 3.4 and 8 to the enclosed financial statements. As at 30 June 2026, stock-in-trade, comprising stock in hand, bonded warehouse and stock in transit is recorded at Rs. 357.310 million (net of provision of Rs. 7.787 million). Stock-in-trade is measured at the lower of cost and net realizable value in accordance with the applicable accounting framework. We identified the valuation of stock-in-trade as a key audit matter owing to: • its significance, representing 62.04% of the total assets of the Modaraba as at 30 June 2026; and • the judgment and estimation involved in determining provisions for slow-moving and obsolete items and in reassessing the basis of net realizable value.	Our audit procedures in respect of valuation of stock-in-trade, against others, included the following: • Obtaining understanding of and assessing the design, implementation and operating effectiveness of the internal controls over the valuation of stock-in-trade including determination of net realizable values and identification of slow moving and obsolete stock in trade; • Observed the condition and existence of stock-in-trade during attendance at the annual stock count; • On a sample basis, we tested the application of the FIFO method by reconciling selected inventory layers to purchase invoices and inventory records, and recomputed the valuation to verify that stock-in-trade was recorded at cost in accordance with the stated accounting policy. • Assessing the net realizable value of stock-in-trade by comparing, on a sample basis, management's estimation of future selling price and cost to sell the products at selling price less cost to sell achieved subsequent to the end of the reporting period; • Comparing sample of ageing of stock in trade with underlying purchase supporting documents for completeness and accuracy of ageing, recalculating provision for slow moving/ obsolete item in accordance with approved accounting policy of the Modaraba; and • Assessed the adequacy of the related disclosure in Accordance with the applicable financial reporting standards and the Companies Act, 2017.

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<i>S.No.</i>	<i>Key Audit Matters</i>	<i>How the matter was addressed in our audit</i>
2	<i>Revenue recognition</i>	
	Refer notes 3.17 and 23 to the accompanying financial statements, the Modaraba generated revenue from industrial raw materials amounting to Rs. 1,054.093 million (net of sales tax) during the year. We identified revenue recognition as a key audit matter due to: - the nature of the transactions and the judgment involved in determining the timing and measurement of revenue; and - its significance as one of the key performance indicators of the Modaraba, which gives rise to an inherent risk of material misstatement in order to meet expectations or performance targets.	Our audit procedures amongst others compromised of: - Obtained understanding of the process related to internal control for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifying in relation to recognition of revenue and timing thereof; - On a sample basis, reviewed sales transactions near the reporting date to assess whether transactions are recorded in the relevant accounting period; - Performed procedure to analyze the variation in the price and quantity sold during the year; - Performed substantive testing, but not limited to reconciling revenue recorded in the books of account on sample basis with underlying accounting records including dispatch and delivery documents and with the submitted sales tax returns; and - Assessed the adequacy of the related disclosures in accordance with applicable financial reporting standards and the Companies Act, 2017.

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

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

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

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

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

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Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

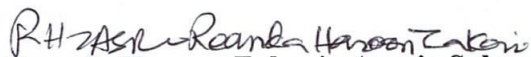
From the matters communicated with the board of directors of the Modaraba Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report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

Report on Other Legal and Regulatory Requirements

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

- a) Proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980);
- b) the statement of financial position, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and are in agreement with the books of account;
- c) business conducted, investments made, expenditure incurred and guarantees extended during the year by the Modaraba were in accordance with the objects, terms and conditions of the Modaraba; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

 
Reanda Haroon Zakaria Aamir Salman Rizwan & Company Place: Karachi
Chartered Accountants Dated: 28 SEP 2026

UDIN: AR202610086prsTqkRvL

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

		2026	2025
ASSETS	Note	Rupees	Rupees
Non-Current Assets			
Property and equipment	4	17,648,543	15,072,279
Intangible assets	5	128,868	435,500
Long term deposits	6	1,560,702	902,702
Deferred tax	7	-	-
		19,338,113	16,410,481
Current Assets			
Stock in trade	8	357,310,008	450,669,478
Trade debtors	9	178,821,821	204,651,757
Advances, other receivables, deposits and prepayments	10	5,041,325	4,555,285
Bank balances	11	15,428,885	2,550,461
		556,602,039	662,426,981
Total Assets		575,940,152	678,837,462
EQUITY AND LIABILITIES			
Capital and Reserves			
Authorized capital			
10,000,000 Modaraba certificates of Rs. 10 each		100,000,000	100,000,000
Paid-up Capital			
Issued, subscribed and paid-up certificate capital	12	30,000,000	30,000,000
Reserves			
Statutory reserve	13	118,733,257	118,733,257
Un-appropriated profit	14	118,065,982	123,570,792
Shareholders' Equity		266,799,239	272,304,049
Non-Current Liabilities			
Obligation under financing lease	15	1,170,472	1,573,486
Defined benefit plan - Staff gratuity	16	3,951,031	6,719,947
		5,121,503	8,293,433
Current Liabilities			
Current portion of obligation under financing lease	15	402,982	1,576,912
Creditors, accrued and other liabilities	17	140,426,129	200,307,339
Running Musharaka	18	-	29,785,817
Musawamah finance	19	160,000,000	160,000,000
Qard-e-Hasana from Modaraba Management Company	20	-	3,000,000
Accrued profit on finance facilities	21	3,190,299	3,569,912
		304,019,410	398,239,980
Contingencies and Commitments	22		
Total Equity and Liabilities		575,940,152	678,837,462

The annexed notes from 1 to 43 form an integral part of these financial statements.

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

Naveed Riaz
Chief Executive

Ameed Riaz
Director

Omar Mohammad Khan
Director

Sheheryar Ali
Chief Financial Officer

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026**

	<i>Note</i>	<i>2026 Rupees</i>	<i>2025 Rupees</i>
Sales	23	1,054,093,046	1,247,436,532
Cost of sales	24	<u>(824,913,040)</u>	<u>(957,518,457)</u>
Gross profit		229,180,006	289,918,075
Operating expenses	25	<u>(127,349,085)</u>	<u>(138,090,506)</u>
Operating profit		101,830,921	151,827,569
Financial charges	26	(21,694,727)	(26,125,955)
Other income	27	4,705,853	21,504,063
Provision of expected credit loss	9.1	(2,771,970)	(2,485,657)
Modaraba Management Company's fee	28	<u>-</u>	<u>-</u>
Profit before levies and taxation		82,070,077	144,720,020
Levies	29	(42,574,887)	(49,273,933)
Profit before taxation		39,495,190	95,446,087
Taxation	30	-	-
Profit after taxation		39,495,190	95,446,087
Other comprehensive income		-	-
Total comprehensive income for the year		39,495,190	95,446,087
		<i>(Rupees per share)</i>	
Earnings per certificate - basic and diluted	31	<u>13.17</u>	<u>31.82</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.

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

Naveed Riaz
Chief Executive

Ameed Riaz
Director

Omar Mohammad Khan
Director

Sheheryar Ali
Chief Financial Officer

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

	<i>Paid-up certificate capital</i>	<i>Statutory reserve</i>	<i>Revenue Reserve (Un-appropriated profit)</i>	<i>Total</i>
	<i>----- Rupees -----</i>			
Balance at July 01, 2024	30,000,000	118,733,257	73,124,705	221,857,962
Profit for the year	-	-	95,446,087	95,446,087
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	95,446,087	95,446,087
Transaction with owners				
Profit distribution for the year ended: June 30, 2024 at Rs. 15 per certificate	-	-	(45,000,000)	(45,000,000)
Balance at June 30, 2025	30,000,000	118,733,257	123,570,792	272,304,049
Profit for the year	-	-	39,495,190	39,495,190
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	39,495,190	39,495,190
Transaction with owners				
Profit distribution for the year ended June 30, 2025 at Rs. 15 per certificate	-	-	(45,000,000)	(45,000,000)
Balance at June 30, 2026	30,000,000	118,733,257	118,065,982	266,799,239

The annexed notes from 1 to 43 form an integral part of these financial statements.

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

Naveed Riaz
Chief Executive

Ameed Riaz
Director

Omar Mohammad Khan
Director

Sheheryar Ali
Chief Financial Officer

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

		2026	2025
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before levies and taxation		82,070,077	144,720,020
Adjustments:			
Depreciation of property and equipment	4	6,109,514	5,342,276
Amortization of intangible assets	5	306,632	442,100
Gain on disposal of property and equipment	27	(4,282,438)	(4,817,962)
Liability written back	27	-	(15,490,654)
Provision for expected credit losses	9.1	2,771,970	2,485,657
Reversal of salam charges	27	-	(127,605)
Financial charges	26	21,694,727	26,125,955
		<u>26,600,405</u>	<u>13,959,767</u>
Cash generated before working capital changes		108,670,482	158,679,787
Working capital changes			
(Increase) / decrease in current assets			
Stock in trade	8	93,359,470	(138,596,143)
Trade debtors	9	23,057,966	(1,454,283)
Advances, other receivables, deposits and prepayments	10	(486,040)	(2,243,036)
Increase / (decrease) in current liabilities			
Creditors, accrued and other liabilities	17	(60,007,611)	55,660,601
Cash generated from operations		<u>164,594,267</u>	<u>72,046,926</u>
Finance cost paid		(22,074,340)	(27,948,967)
Income tax paid		(42,574,887)	(49,273,933)
Staff gratuity paid	16	(2,768,916)	-
Long term deposit paid	6	(658,000)	(304,500)
Net cash generated from / (used in) operating activities		<u>96,518,124</u>	<u>(5,480,474)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	4	(8,734,346)	(11,508,828)
Proceeds from disposal of property and equipment		4,331,006	7,640,000
Net cash used in investing activities		<u>(4,403,340)</u>	<u>(3,868,828)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(44,873,599)	(46,369,099)
(Repayments) / Receipts of Qard-e-Hasana from Management Company - net	20	(3,000,000)	3,000,000
(Repayments) / Receipts of Musharaka finances - net	15 & 18	(31,362,761)	28,849,524
Receipts of Musawamah finances - net		-	20,000,000
Net cash (used in) / generated from financing activities		<u>(79,236,360)</u>	<u>5,480,425</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)		12,878,424	(3,868,877)
Cash and cash equivalents at beginning of the year	11	2,550,461	6,419,338
Cash and cash equivalents at end of the year	11	<u>15,428,885</u>	<u>2,550,461</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.

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

Naveed Riaz
Chief Executive

Ameed Riaz
Director

Omar Mohammad Khan
Director

Sheheryar Ali
Chief Financial Officer

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

1 STATUS AND NATURE OF BUSINESS

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards (IASB) as notified under the Companies Act 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act 2017;
- Provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Companies Act, 2017;
- Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021 and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

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

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

2.2 Going concern Assessment

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

2.3 Basis of measurement

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

2.4 Functional and presentation currency

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

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

The following standards, amendments to standards and interpretations are effective for the year ended June 30, 2026. However, except as disclosed otherwise, these standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information (applicable to listed companies and unlisted Public Interest Companies) (first time applicability)

July 1, 2025
As per SECP SRO dated December 31, 2024, IFRS S1 and IFRS S2 are only applicable to listed companies and unlisted companies in phase manner and subject to monetary thresholds outlined in that SRO.

IFRS S2 Climate-related Disclosures (applicable to listed companies and unlisted Public Interest Companies) (first time applicability).

July 1, 2025
Same as mentioned above.

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

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

***Effective from accounting period
beginning on or after***

Amendments to IFRS 7 'Financial Instruments - Disclosures' and IFRS 9 'Financial Instruments': Amendments regarding the classification and measurement of financial instruments.

January 1, 2026

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between an investor and its associate or joint venture. Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.

IFRS 17 - Insurance Contracts (first time applicability)

January 1, 2026

***Effective from accounting period
beginning on or after***

IFRS 18 Presentation and Disclosures in Financial Statements (first time applicability)

January 1, 2027

IFRS 19 Subsidiaries without Public Accountability: Disclosures (first time applicability)

January 1, 2027

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates': Amendments regarding translations to a hyperinflationary presentation currency

January 1, 2027

Amendments to IAS 28 'Investments in Associates and Joint Ventures': Amendments to provide clarity about which entities are eligible to measure investments using the fair value option

January 1, 2027

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

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

IFRS 1 - First Time Adoption of International Financial Reporting Standards

IFRS 20 - Regulatory Assets and Regulatory Liabilities (applicable for annual periods beginning on or after 1 January 2029)

2.7 Significant accounting judgements, estimates and assumptions

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

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

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

- Estimates of residual values, useful lives and depreciation methods of tangible assets (notes 3.1 and 4);
- Estimates of residual values, useful lives and amortization methods of intangible assets (notes 3.2 and 5);
- - Taxation (notes 3.6, 7, 29 and 30);
- - Provision for expected credit loss (notes 3.5 and 9);
- - Provision for staff gratuity (notes 3.11 and 16);
- - Stock in trade (notes 3.4 and 8); and
- - Contingencies (notes 3.21 and 22);

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Property and equipment

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

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

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

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

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

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

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

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

3.2 Intangible assets

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

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

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

3.3 Financial instruments

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

3.3.1 Financial assets

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

3.3.2 Initial measurement of financial asset

The Modaraba classifies its financial assets into following three categories:

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

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

3.3.3 Subsequent measurement

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

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

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

3.3.4 Impairment of financial assets

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

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

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

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Modaraba has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

3.3.5 Impairment of non-financial assets

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

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

3.3.6 Financial liabilities

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

3.3.7 Recognition and measurement

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

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

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

3.3.8 Offsetting of financial assets and liabilities

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

3.4 Stock in trade

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

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

3.5 Trade debtors and other receivables

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

3.6 Current and deferred income tax

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

The Institute of Chartered Accountants of Pakistan has issued IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes and defined two approaches for bifurcation of tax between current and minimum taxes. The Modaraba has adopted Approach 1, whereby the amount of minimum tax calculated on the gross amount of revenue or other applicable basis, such as receipts or other values specified under the applicable tax legislation, is designated as a levy within the scope of IFRIC 21, Levies, and is recognised as an operating expense in the statement of profit or loss when the related obligating event occurs.

Any amount of tax payable in excess of the amount designated as a levy is recognised as current income tax expense within the scope of IAS 12, Income Taxes. Current income tax is measured based on the taxable profit for the period using the tax rates enacted or substantively enacted at the reporting date.

3.6.1 Current

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

3.6.2 Deferred

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

3.6.3 Levy

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

3.7 Cash and cash equivalent

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

3.8 Statutory reserve

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

3.9 Musharaka financing

3.9.1 Running Musharaka

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

3.9.2 Diminishing Musharaka

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

3.9.3 Musawamah financing

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

3.10 Trade creditors and other payables

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

3.11 Staff retirement benefits

(a) Defined benefit plan - Staff gratuity

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

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

(b) Defined contribution plan - Provident fund

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

3.12 Qard-e-Hasana

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

3.13 Provisions

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

3.14 Unclaimed profit distribution

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

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

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

3.15 Foreign currency transactions

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

3.16 Short term leases

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

3.17 Revenue recognition

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

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

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

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

3.18 Other income

Profit on Munafa account is recognized on accrual basis.

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

3.19 Segment reporting

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

3.20 Earning's per certificate

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

3.21 Contingencies

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

3.22 Related party transactions

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

4 PROPERTY AND EQUIPMENT	Note	2026 Rupees	2025 Rupees
Operating fixed assets	4.1 & 4.3	<u>17,648,543</u>	<u>15,072,279</u>

4.1 OPERATING FIXED ASSETS

Description	Leasehold improvements	Furniture and fittings	Vehicle	Office equipment	Electrical appliances	Computer equipment	Motor vehicle on diminishing musharaka	Total
----- Rupees -----								
Year ended June 30, 2026								
Net carrying value basis								
Opening net book value	-	246,453	7,307,114	1,200,307	240,494	2,679,961	3,397,950	15,072,279
Additions	-	939,243	4,000,000	122,850	691,000	2,981,253	-	8,734,346
Deletions-NBV	-	4	8,821	2,026	-	37,717	-	48,568
Depreciation charge - note 4.2	-	142,555	3,441,362	423,447	77,720	1,476,330	548,100	6,109,514
Closing net book value	-	<u>1,043,137</u>	<u>7,856,931</u>	<u>897,684</u>	<u>853,774</u>	<u>4,147,167</u>	<u>2,849,850</u>	<u>17,648,543</u>
Gross carrying value basis								
Cost	2,400,125	1,508,091	20,982,344	3,967,714	1,286,760	12,187,153	5,535,000	47,867,187
Accumulated depreciation	2,400,125	464,954	13,125,413	3,070,030	432,986	8,039,986	2,685,150	30,218,644
Net book value	-	<u>1,043,137</u>	<u>7,856,931</u>	<u>897,684</u>	<u>853,774</u>	<u>4,147,167</u>	<u>2,849,850</u>	<u>17,648,543</u>
Year ended June 30, 2025								
Net carrying value basis								
Opening net book value	-	210,453	5,971,783	746,157	291,270	3,017,702	1,490,400	11,727,765
Additions	-	78,120	6,850,000	771,200	8,000	1,061,008	2,740,500	11,508,828
Deletions-NBV	-	-	2,812,502	9,534	-	2	-	2,822,038
Depreciation charge - note 4.2	-	42,120	2,702,167	307,516	58,776	1,398,747	832,950	5,342,276
Closing net book value	-	<u>246,453</u>	<u>7,307,114</u>	<u>1,200,307</u>	<u>240,494</u>	<u>2,679,961</u>	<u>3,397,950</u>	<u>15,072,279</u>
Gross carrying value basis								
Cost	2,400,125	720,448	18,822,544	4,736,967	595,760	9,856,248	5,535,000	42,667,092
Accumulated depreciation	2,400,125	473,995	11,515,430	3,536,660	355,266	7,176,287	2,137,050	27,594,813
Net book value	-	<u>246,453</u>	<u>7,307,114</u>	<u>1,200,307</u>	<u>240,494</u>	<u>2,679,961</u>	<u>3,397,950</u>	<u>15,072,279</u>
Depreciation rates (% per annum)	10	10	20	20	10	25	20	

4.2 Depreciation expense has been allocated to the operating expenses.

4.3 This includes fully depreciated assets having a gross carrying amount of Rs. 15,860,339 (2025: Rs. 16,841,060) that are still in use by the Modaraba.

	<i>Note</i>	2026 Rupees	2025 Rupees
5 INTANGIBLE ASSETS	5.1	128,868	435,500

5.1 Movement of Intangible assets

Particulars	Cost		Accumulated Amortization				Carrying	Rate
	As at	Additions	As at	As at	Charge	As at	value as	
	July 01,	during	June 30,	July 01,	for the	June 30,	at June	
	2025	the year	2026	2025	year	2026	30, 2026	
-----Rupees-----								
Licensed computer software	3,429,266	-	3,429,266	3,315,933	113,332	3,429,265	1	25%
Website Development Cost	2,773,200	-	2,773,200	2,451,033	193,300	2,644,333	128,867	25%
Total	6,202,466	-	6,202,466	5,766,966	306,632	6,073,598	128,868	

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

5.2 Amortization expense has been allocated to the operating expenses.

5.3 This includes fully amortized assets having a gross carrying amount of Rs. 5,429,266 (2025: Rs. 4,749,266) that are still in use by the Modaraba.

	<i>Note</i>	2026 Rupees	2025 Rupees
6 LONG TERM DEPOSITS			
- Security deposit	6.1	1,560,702	902,702

6.1 This includes amount of Rs. 691,500 (2025: Rs. 691,500) deposited with Bank AL Habib Limited for obtaining vehicles on Diminishing Musharaka financing.

	<i>Note</i>	2026 Rupees	2025 Rupees
7 DEFERRED TAX			
Deferred tax	7.1	-	-

7.1 As per the guidelines issued by ICAP on application of IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes', no deferred tax is required to be booked as the Modaraba, based on the projections of taxable income, expected to be taxed under Minimum Tax u/s 148 of the Income Tax Ordinance, 2001 for the foreseeable future. Hence the Modaraba has not recorded any deferred tax asset or liability as at 30 June 2026.

		2026 Rupees	2025 Rupees
8 STOCK IN TRADE	Note		
Stock			
- In hand		199,690,642	229,906,029
- In bonded warehouse		127,585,441	193,332,653
- In transit		37,821,010	29,711,398
		<u>365,097,093</u>	<u>452,950,080</u>
Less: Provision for slow moving and obsolete stock	8.1	(7,787,085)	(2,280,602)
		<u>357,310,008</u>	<u>450,669,478</u>

8.1 Provision for slow moving and obsolete stock

Balance at July 01		2,280,602	4,622,544
Provision made during the year	8.1.1	5,506,483	-
Reversal during the year		-	(2,341,942)
Balance as at June 30		<u>7,787,085</u>	<u>2,280,602</u>

8.1.1 Represents the provision for slow-moving inventory, determined based on the ageing of inventory from the respective dates of purchase. The provision is calculated at 10% for inventory purchased more than one year but less than two years ago, 20% for inventory purchased two years but less than three years ago, 35% for inventory purchased three years but less than four years ago, and 70% for inventory purchased more than four years ago. The resulting provision has been recognized in profit or loss for the year.

		2026 Rupees	2025 Rupees
9 TRADE DEBTORS	Note		
Unsecured			
- Considered good		178,821,821	204,651,757
- Considered doubtful as per			
- Prudential regulations		4,020,704	4,020,704
- Expected credit losses under IFRS-09		11,006,013	8,234,043
		<u>15,026,717</u>	<u>12,254,747</u>
		<u>193,848,538</u>	<u>216,906,504</u>
Less: Provision for expected credit losses	9.1	(15,026,717)	(12,254,747)
	9.2	<u>178,821,821</u>	<u>204,651,757</u>

9.1 Provision for expected credit losses

Opening provision		12,254,747	9,769,090
Provision made during the year	9.1.1	2,771,970	2,485,657
	9.2	<u>15,026,717</u>	<u>12,254,747</u>

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

9.2 Ageing analysis	Note	2026 Rupees	2025 Rupees
Not overdue		44,262,338	55,603,859
Past due 31-90 days		84,305,765	94,253,404
Past due 91-180 days		20,411,394	52,849,797
Past due 181-365 days		40,848,337	10,178,740
Past due 365 days		4,020,704	4,020,704
		193,848,538	216,906,504
Provision for expected credit losses		(15,026,717)	(12,254,747)
		178,821,821	204,651,757

10 ADVANCES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Considered good

Advances

- to suppliers	-	2,520,971
- Income taxes	366,207	-
	366,207	2,520,971

Other receivables

- Customs duties	108,306	127,953
- Employee	200,000	-
- EFU General Insurance	-	370,967
	308,306	498,920

Container deposits	285,000	800,000
Prepayments	10.1 4,081,812	735,394
	5,041,325	4,555,285

10.1 Includes an amount of Rs. 3,309,455 (2025: Nil) incurred on the short-term rental warehouse for structural improvement with EMI (Pakistan) Limited - associated company (Related party), which has been treated as prepaid rent for future periods.

11 BANK BALANCES	Note	2026 Rupees	2025 Rupees
- Current accounts		7,042,160	1,961,980
- Saving accounts	11.1	8,386,725	588,481
		15,428,885	2,550,461

11.1 This represents account maintained with Soneri Mustaqeem Islamic Banking and carries profit ranging from 6.41% to 7.99% (2025: 7.25% to 8.93%) per annum.

12 CERTIFICATE CAPITAL

12.1 Authorized certificate capital

2026 Number of certificates	2025	2026 Rupees	2025 Rupees
10,000,000	10,000,000	100,000,000	100,000,000

Modaraba certificates of Rs. 10/- each

12.2 Issued, subscribed and paid-up certificate capital

2026	2025		2026	2025
<i>Number of certificates</i>		<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
3,000,000	3,000,000	Fully paid in cash Modaraba certificates of Rs. 10/- each. 12.3	30,000,000	30,000,000

12.3 The Modaraba Management Company - an associated company (related party) holds 600,000 certificates (2025: 600,000).

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

	<i>Note</i>	2026 <i>Rupees</i>	2025 <i>Rupees</i>
13 STATUTORY RESERVE			
Balance as on July 01		118,733,257	118,733,257
Transferred during the year	13.1	-	-
	3.8	118,733,257	118,733,257

13.1 During the year, the Modaraba has transferred Nil% (2025: Nil%) of its after tax profits to statutory reserve.

	<i>Note</i>	2026 <i>Rupees</i>	2025 <i>Rupees</i>
14 UN-APPROPRIATED PROFIT			
Balance as on July 01		123,570,792	73,124,705
Profit distribution for the year	14.1	(45,000,000)	(45,000,000)
Profit for the current year		39,495,190	95,446,087
Transferred to statutory reserve	13	-	-
		118,065,982	123,570,792

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

	<i>Note</i>	2026 <i>Rupees</i>	2025 <i>Rupees</i>
15 OBLIGATION UNDER FINANCING LEASE			
- Bank Al Habib Limited			
- Secured			
Diminishing Musharaka		1,573,454	3,150,398
Less: Current portion of obligation under financing lease		(1,170,472)	(1,573,486)
	15.1 & 15.2	402,982	1,576,912

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

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

15.2 Diminishing Musharaka	Note	2026 Rupees	2025 Rupees
Opening		3,150,398	1,422,622
Paid during the year		(1,576,944)	(1,012,724)
Obtained during the year		-	2,740,500
		1,573,454	3,150,398
Less: Current portion of obligation under financing lease		(1,170,472)	(1,573,486)
		402,982	1,576,912
Minimum lease payment			
Upto one year		1,303,582	1,737,452
More than one year but not later than 5 years		416,859	1,930,061
		1,720,441	3,667,513
Financial charges			
Upto one year		133,110	163,966
More than one year but not later than 5 years		13,877	353,149
		146,987	517,115
Present value of minimum lease payment			
Upto one year		1,170,472	1,573,486
More than one year but not later than 5 years		402,982	1,576,912
		1,573,454	3,150,398

16 DEFINED BENEFIT PLAN - STAFF GRATUITY

- Defined benefit obligation	3.1	3,951,031	6,719,947
Movement of defined benefit plan			
Opening balance		6,719,947	6,719,947
Less: benefits paid		(2,768,916)	-
Closing balance		3,951,031	6,719,947

17 CREDITORS, ACCRUED AND OTHER LIABILITIES

Import bills payable	17.1	115,644,926	166,938,775
Creditors		260,841	2,062,614
Accrued liabilities		2,061,476	15,047,367
Unclaimed profit distribution	3.14	8,632,165	8,505,764
Sales tax payable		13,826,721	7,752,819
Workers' Welfare Fund	17.2	-	-
		140,426,129	200,307,339

17.1 This includes Rs. 4.798 million (2025: 70.246 million) payable to Imlink Limited - an associated company (related party) against the purchase of finished goods in the ordinary course of business. The outstanding balance is unsecured.

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

Management believes that:

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

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

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

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

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

		2026 Rupees	2025 Rupees
18 RUNNING MUSHARAKA	Note		
- Bank Al Habib Limited			
- Secured			
Running Musharaka	18.1 & 22.2.6	-	29,785,817

18.1 The Modaraba has availed Running Musharaka Financing facility with a total available limit of Rs. 30 million (2025: Rs. 30 million) out of which Rs. 30 million (2025: Rs. 0.214 million) is unavailed. This facility has been obtained to finance working capital requirements of the Modaraba and carries profit at 3 months KIBOR plus 1.5%. During the current year the amount has been fully repaid.

		2026 Rupees	2025 Rupees
19 MUSAWAMAH FINANCE	Note		
- Bank Al Habib Limited			
- Secured			
Musawamah finance	19.1 & 22.2.6	160,000,000	160,000,000

19.1 The Modaraba has availed Musawamah financing facility with a total available limit of Rs. 250 million (2025: 220 million) out of which Rs. 90 million (2025: Rs. 60 million) is unavailed. This facility has been obtained to finance sale of inventory owned by the Modaraba. The facility carries profit at 3 months KIBOR plus 1.5%.

		2026 Rupees	2025 Rupees
20 QARD-E-HASANA FROM MODARABA MANAGEMENT COMPANY	Note		
- Secured			
Qard-e-Hasana	20.1	-	3,000,000

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

		2026 Rupees	2025 Rupees
21 ACCRUED PROFIT ON FINANCE FACILITIES	Note		
<i>Accrued profit on finance facilities</i>			
- Running Musharaka	18.1	114,880	198,371
- Musawamah Finance	19.1	3,075,419	3,371,541
		<u>3,190,299</u>	<u>3,569,912</u>

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

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

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

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

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

22.2 Commitments

22.2.1 Post dated cheques to Collector of Customs amounting to Rs. 60.063 million (2025: Rs. 113.162 million) on account of custom dues and taxes on goods at bonded warehouse.

		2026 Rupees	2025 Rupees
22.2.2 Letter of Credit - Usance (foreign)	Note		
Available	22.2.6	<u>20,000,000</u>	<u>20,000,000</u>
Unavailed		<u>20,000,000</u>	<u>20,000,000</u>

22.2.3 Letter of Credit - Sight (foreign)

Available	22.2.6	<u>125,000,000</u>	<u>125,000,000</u>
Unavailed		<u>125,000,000</u>	<u>125,000,000</u>

	<i>Note</i>	2026 Rupees	2025 Rupees
22.2.4 Murabaha finances-Facility			
Available	22.2.6	70,000,000	70,000,000
Unavailed		70,000,000	70,000,000
22.2.5 Letter of Credit - Acceptance -Foreign			
Available	22.2.6	20,000,000	20,000,000
Unavailed		20,000,000	20,000,000

22.2.6 These facilities are secured against:

- a) Registered Hypothecation charge over current assets, including stocks & book debts, of the company Rs.334 million including 25% margin. [Charge of Rs.400 million already held]
- b) Import documents consigned to the order of Bank AL Habib.
- c) Bank's control over accepted drafts / Bill of Exchange.
- d) Token Registered Mortgage of Rs.100,000/- and Equitable Mortgage over Beaumont Plaza, Office #408 & #409, 4th Floor, situated at Survey No.6, Sheet CL-10, Beaumont Road, Civil Lines Quarters, Karachi. [Property in the name of director Mr. Ameer Riaz]
- e) Supplemental MODTDs executed on the following properties mortgaged in the favour of the bank by the other group companies (Related parties) coverage of aggregate exposure under Equitable Mortgage.
- i) Plot # 2/19, Sector 21, Korangi Industrial Area, Karachi admeasuring 4,846.72 Sq.yards in the name of Mr. Ameer Riaz.
- ii) Office #405, #412 and #413, 4th Floor, situated at Survey No.6, Sheet CL-10, Beaumont Road, Civil Lines Quarters, Beaumont Plaza, Karachi. [Property in the name of associated undertaking M/s Ashraf Riaz (Pvt.) Limited]
- iii) Office #410 and #411, 4th Floor, situated at Survey No.6, Sheet CL-10, Beaumont Road, Civil Lines Quarters, Beaumont Plaza, Karachi. [Property in the name of director Mr. Naveed Riaz]
- iv) Plot #125-S, #102-S & #103-S, located at Small Industrial Area, Kot Lakhpat, Lahore, admeasuring 6 Kanal and 12 Marla, 90 square feet. [Property in the name of associated undertaking M/s Ashraf Riaz Knitwear Limited]
- v) C-28, SITE. Karachi [Property in the name of associated undertaking M/s EMI (Pakistan) Limited]
- f) Corporate Guarantee of associated undertaking M/s Ashraf Riaz (Pvt.) Limited, covering aggregate Exposure.
- g) Personal Guarantees of the directors of the company (Mr. Naveed Riaz and Mr. Ameer Riaz), each covering aggregate exposure.

	<i>Note</i>	2026 Rupees	2025 Rupees
23 SALES - NET			
Sales		1,260,469,869	1,485,065,532
Less: sales tax		206,376,823	237,629,000
		<u>1,054,093,046</u>	<u>1,247,436,532</u>

24 COST OF SALES

Opening stock at July 01	8	229,906,029	190,872,453
Purchases	24.1	794,697,653	996,552,033
Closing stock at June 30	8	(199,690,642)	(229,906,029)
		<u>824,913,040</u>	<u>957,518,457</u>

24.1 Includes exchange gain of Rs. 6,215,750 (2025: exchange loss of Rs. 5,721,819) on import bills. The amount also includes provision for slow moving and obsolete stock of Rs. 5,506,483 (2025: reversal of provision for slow moving and obsolete Rs. 2,341,942).

	<i>Note</i>	2026 Rupees	2025 Rupees
25 OPERATING EXPENSES			
Salaries and other staff benefits	32	68,481,805	72,385,772
Provident fund contribution	25.1	2,882,834	2,086,207
Rent, rates and taxes	38	4,468,608	6,081,144
Travelling and conveyance		12,260,345	19,360,845
Depreciation	4.2	6,109,514	5,342,276
Amortization	5.2	306,632	442,100
Cartage		3,612,060	3,375,792
Vehicles running and maintenance		5,914,338	5,697,596
Insurance		1,775,547	1,956,762
Legal and professional		8,523,667	7,549,750
Security charges		2,145,108	1,848,564
Fees and subscriptions		1,407,018	1,593,438
Repairs and maintenance		2,255,178	3,137,469
Postage and telephone		2,296,231	1,232,564
Software expenses		866,689	452,179
Auditors' remuneration	25.2	858,441	720,568
Electricity		615,227	773,206
Sample and business gifts		768,212	1,822,189
Entertainment		651,490	1,302,795
Printing and stationery		548,597	208,429
Cleaning and washing		577,044	696,361
Newspaper advertisement		24,500	24,500
		<u>127,349,085</u>	<u>138,090,506</u>

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

25.2 Auditors' remuneration	Note	2026 Rupees	2025 Rupees
Annual audit		492,000	439,230
Half yearly review		123,000	109,808
Review of code of corporate governance		22,300	19,965
CDC certification		22,350	19,965
Annual free float certificate		22,350	19,965
Out of pocket expenses		74,141	58,260
		<u>756,141</u>	<u>667,193</u>
Sindh sales tax on services		102,300	53,375
		<u>858,441</u>	<u>720,568</u>

26 FINANCIAL CHARGES

Diminishing Musharaka charges	15.1	355,151	459,575
Murabaha Finance charges	26.1	-	398,466
Running Musharaka charges	18.1	916,791	828,527
Musawamah charges	19.1	19,801,620	23,914,325
Bank charges		621,165	525,062
		<u>21,694,727</u>	<u>26,125,955</u>

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

27 OTHER INCOME	Note	2026 Rupees	2025 Rupees
- Income from financial assets			
Return on munafa account	11.1	423,415	1,067,842
Reversal of Salam finance charges		-	127,605
		<u>423,415</u>	<u>1,195,447</u>
- Income from non-financial assets			
Gain on disposal of property and equipment		4,282,438	4,817,962
Liability written back	17.2	-	15,490,654
		<u>4,282,438</u>	<u>20,308,616</u>
		<u>4,705,853</u>	<u>21,504,063</u>
28 MODARABA MANAGEMENT COMPANY'S FEE	28.1	<u>-</u>	<u>-</u>

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

29 MINIMUM TAX DIFFERENTIAL	Note	2026 Rupees	2025 Rupees
Income tax levies under IFRIC 21/IAS 37	3.6 & 29.1	<u>42,574,887</u>	<u>49,273,933</u>

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

	<i>Note</i>	2026 Rupees	2025 Rupees
30 TAXATION			
Current tax for the year	30.1	-	-

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

Income tax under IAS 12		-	-
Income tax levy under IFRIC 21/IAS 37	29.1	42,574,887	49,273,933
Current tax liability as per Income Tax Ordinance		42,574,887	49,273,933

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

	2026	2025
30.3 Approach 1 – Excess is IAS 12 tax		
Profit before minimum tax	82,070,077	144,720,020
Minimum Tax - Section 148	(42,574,887)	(49,273,933)
Profit before income tax	39,495,190	95,446,087
Income tax	-	-
Profit after tax	39,495,190	95,446,087
Effective tax rate	0%	0%

	2026	2025
31 EARNINGS PER CERTIFICATE - BASIC AND DILUTED		
Basic earnings per share		
Net Profit for the year (Rupees)	39,495,190	95,446,087
Number of Modaraba certificates	3,000,000	3,000,000
Earnings per certificate (Rupees)	13.17	31.82

Diluted earnings per share

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

32 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements are as follows:

	2026			2025		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
Managerial Remunerations	-	-	37,189,574	-	-	27,104,624
Bonus	-	-	-	-	-	8,012,650
Staff Retirement Benefits	-	-	1,809,475	-	-	1,203,550
Medical	-	-	838,651	-	-	526,191
Utilities	-	-	3,003,155	-	-	2,174,068
Number of person (s)	1	4	9	1	4	8

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

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

33 FINANCIAL INSTRUMENTS BY CATEGORY	Note	2026 Rupees	2025 Rupees
Financial Instrument by Category			
Financial assets at amortized cost			
Long term deposits	6	869,202	211,202
Trade debtors - Gross	9	193,848,538	216,906,504
Other receivables and deposits	10	485,000	1,298,920
Bank balances	11	15,428,885	2,550,461
		210,631,625	220,967,087
Financial liabilities at amortized cost			
Obligation under financing lease	15	1,573,454	3,150,398
Creditors, accrued and other liabilities	17	126,599,408	192,554,520
Running Musharaka	18	-	29,785,817
Musawamah finance	19	160,000,000	160,000,000
Qard-e-Hasana from Modaraba Management Company	20	-	3,000,000
Accrued profit on finance facilities	21	3,190,299	3,569,912
		291,363,161	392,060,647

34 FINANCIAL RISK MANAGEMENT

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

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

34.1.1 Market risk management

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

a) Profit rate risk management

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

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

<i>Variable rate instrument</i>	<i>Note</i>	<i>2026 Rupees</i>	<i>2025 Rupees</i>
<i>Financial assets</i>			
Banks balance at saving accounts	11	<u>8,386,725</u>	<u>588,481</u>
<i>Financial liabilities</i>			
Diminishing Musharaka	15	<u>1,573,454</u>	<u>3,150,398</u>
Running Musharaka	18	<u>-</u>	<u>29,785,817</u>
Musawamah financing	19	<u>160,000,000</u>	<u>160,000,000</u>
		<u>161,573,454</u>	<u>192,936,215</u>

There are no fixed rate instruments as at reporting date.

Sensitivity analysis

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

	<i>2026 Rupees</i>	<i>2025 Rupees</i>
Increase in market value -5%	<u>(7,659,336)</u>	<u>(9,617,387)</u>
Decrease in market value -5%	<u>7,659,336</u>	<u>9,617,387</u>

b) Foreign exchange risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Modaraba's exposure to the risk of changes in foreign exchange rates relates primarily to the Modaraba's operating activities. As at reporting date, the Company's foreign currency risk exposure is as follows;

	<i>Note</i>	<i>2026 Rupees</i>	<i>2025 Rupees</i>
<i>Financial liabilities</i>			
Import bills payable	17	<u>115,644,926</u>	<u>166,938,775</u>

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

PKR/GBP	372.47	389.65
PKR/USD	279.42	284.10
PKR/EURO	320.99	332.83

<i>Sensitivity analysis</i>	<i>Increase / decrease in foreign exchange rate (%)</i>	<i>Effect on profit before tax (Rupees)</i>
<i>As at June 30, 2026</i>	+2	(2,312,899)
	-2	2,312,899
<i>As at June 30, 2025</i>	+2	(3,338,776)
	-2	3,338,776

c) Equity price risk management

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

34.1.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter party to the financial instrument fails to perform as contracted. Total financial assets of Rs. 210.63 million (2025: Rs. 220.97 million) are subject to credit risk.

a) Credit risk related to trade debtors

The Modaraba has 10 (2025: 6) major customers that owed the Modaraba Rs. 171.82 million (2025: 155.626 million) and accounted for approximately 88.63% (2025: 71.32%) of all trade debtors. The Modaraba does not hold collateral as security against any trade debtors.

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

The provision for the year amounting to Rs. 2.772 million (2025: Rs. 2.486 million) has been recognized in these financial statements.

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

b) Credit risk related to bank balances

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

<i>Banks</i>	<i>Short term</i>	<i>Long term</i>	<i>Note</i>	<i>2026 Rupees</i>	<i>2025 Rupees</i>
- Bank Alfalah Limited	A1+	AAA		2,696,851	350,655
- Soneri Bank Limited	A1+	AA		9,584,035	1,886,365
- Bank AL Habib Limited	A1+	AAA		116,777	5,640
- Meezan Bank Limited	A1+	AAA		2,931,222	117,800
- Faysal Bank Limited	A1+	AA+		100,000	190,000
			11	15,428,885	2,550,461

c) Other financial assets

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

34.1.3 Liquidity risk management

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

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

	<i>Carrying values</i>	<i>Contractual cash flows</i>	<i>Upto 1 year</i>	<i>1 to 3 years</i>	<i>More than 3 years</i>
<i>----- Rupees -----</i>					
Obligation under financing lease	1,573,454	1,573,454	1,170,472	402,982	-
Creditors, accrued and other					
liabilities	126,599,408	126,599,408	126,599,408	-	-
Running Musharaka	-	-	-	-	-
Musawamah finance	160,000,000	160,000,000	160,000,000	-	-
Qard-e-Hasana from Modaraba					
Management Company	-	-	-	-	-
Accrued profit on finance facilities	3,190,299	3,190,299	3,190,299	-	-
2026	291,363,161	291,363,161	290,960,179	402,982	-
<i>----- Rupees -----</i>					
	<i>Carrying values</i>	<i>Contractual cash flows</i>	<i>Upto 1 year</i>	<i>1 to 3 years</i>	<i>More than 3 years</i>
Obligation under financing lease	3,150,398	3,150,398	1,573,486	1,576,912	-
Creditors, accrued and other					
liabilities	192,554,520	192,554,520	192,554,520	-	-
Running Musharaka	29,785,817	29,785,817	29,785,817	-	-
Musawamah finance	160,000,000	160,000,000	160,000,000	-	-
Qard-e-Hasana from Modaraba					
Management Company	3,000,000	3,000,000	3,000,000	-	-
Accrued profit on finance facilities	3,569,912	3,569,912	3,569,912	-	-
2025	392,060,647	392,060,647	390,483,735	1,576,912	-

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

35 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	July 01, 2025	Financing cash inflows/ (outflows)-net	Non Cash changes	June 30, 2026
	----- Rupees-----			
Obligation under financing lease	3,150,398	(1,576,944)	-	1,573,454
Running Musharaka	29,785,817	(29,785,817)	-	-
Musawamah finance	160,000,000	-	-	160,000,000
Qard-e-Hasana from Modaraba Management Company	3,000,000	(3,000,000)	-	-
	----- Rupees-----			
	July 01, 2024	Financing cash inflows/ (outflows)-net	Non Cash changes	June 30, 2025
	----- Rupees-----			
Obligation under financing lease	1,422,622	(1,012,724)	2,740,500	3,150,398
Running Musharaka	2,664,069	27,121,748	-	29,785,817
Musawamah finance	140,000,000	20,000,000	-	160,000,000
Qard-e-Hasana from Modaraba Management Company	-	3,000,000	-	3,000,000

36 CAPITAL RISK MANAGEMENT

The Modaraba's objectives when managing capital are to safeguard the Modaraba's ability to continue as a going concern in order to provide returns for certificate holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

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

	Note	2026 Rupees	2025 Rupees
The gearing ratio of the Modaraba at year end is as follows:			
Obligation under financing lease	15	1,573,454	3,150,398
Running Musharaka	18	-	29,785,817
Musawamah finance	19	160,000,000	160,000,000
Qard-e-Hasana from Modaraba Management Company	20	-	3,000,000
Accrued profit on finance facilities		3,190,299	3,569,912
Total debt		164,763,753	199,506,127
Bank balances	11	(15,428,885)	(2,550,461)
Net debt		149,334,868	196,955,666
Equity		266,799,239	272,304,049
Gearing Ratio (%)		56%	72%

37 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

- Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.
- Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

As at year ended June 30, 2026, the Modaraba does not hold any financial asset or liability measured at fair value. Further, carrying value of all financial assets and liabilities reflected in financial statements approximate their fair value.

38 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

<i>Company</i>	<i>Basis of association</i>	<i>Aggregate percentage of certificate in Modaraba</i>
A R Management Services (Private) Limited	Modaraba Management Company	20%
Associated companies:		
- Ashraf Riaz (Private) Limited	Common directorship	-
- Ashraf Riaz Knitwear Limited	Common directorship	-
- Atherton & Imrooz	Common directorship	-
- EMI (Pakistan) Limited	Common directorship	-
- Imlink Limited*	Common directorship	-

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

<i>Relationship with the Modaraba</i>	<i>Nature of transactions</i>		<i>2026 Rupees</i>	<i>2025 Rupees</i>
Management Company				
	Dividend paid to Modaraba Management Company		9,000,000	9,000,000
	Modaraba Management Company's fees	17	-	-
A R Management Services (Private) Limited	Modaraba Management Company's fees paid	17	-	15,729,956
	Receipt of Qard-e-Hasana	20	156,500,000	99,000,000
	Repayment of Qard-e-Hasana	20	159,500,000	96,000,000
Associated companies				
Associated companies	Share of common expenses		1,940,645	3,154,596
Imlink Limited	Purchases of finished goods	17.1	135,158,557	335,538,682
	Payment against purchases	17.1	203,787,889	322,549,390
Ashraf Riaz (Private) Limited	Principal office rent		-	-
	Karachi warehouse rent charge	25	3,213,600	3,213,600
EMI (Pakistan) Limited	Karachi warehouse rent paid		6,523,055	3,213,600
Ashraf Riaz Knitwear Limited	Lahore warehouse rent charge and paid	25	1,200,000	2,700,000
Associated undertaking				
The Imrooz Employee Provident Fund	Contribution to staff provident fund during the year		5,765,668	4,172,414
Directors of management company (Key Management Personnel)				
Directors of Modaraba Management Company	Dividend paid		8,325,000	3,989,000
Key Management Personnel	Dividend paid		8,431,125	8,633,625
Close family member of Directors	Dividend paid		9,101,625	9,101,625

39 SHARIA COMPLIANCE ACTIVITIES AND BALANCES

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

	<i>Note</i>	<i>2026 Rupees</i>	<i>2025 Rupees</i>
Statement of Financial Position - Liability Side			
Diminishing Musharaka as per Islamic mode	15	1,573,454	3,150,398
Running Musharaka as per Islamic mode	18	-	29,785,817
Musawamah finance as per Islamic mode	19	160,000,000	160,000,000
Qard-e-Hasana from Modaraba Management Company	20	-	3,000,000
Accrued profit on finance facilities as per Islamic mode	21	3,190,299	3,569,912
Statement of Financial Position - Asset Side			
Lease deposit against Diminishing Musharaka	6.1	691,500	691,500
Shariah compliant bank balances	11	15,428,885	2,550,461

	<i>Note</i>	2026 Rupees	2025 Rupees
Statement of profit or loss			
Sales earned from Shariah compliant business	23	1,054,093,046	1,247,436,532
- Shariah Compliant			
Breakup of Other income			
Return on munafa account	11.1	423,415	1,067,842
Reversal of Salam finance charges		-	127,605
Gain on disposal of property and equipment	27	4,282,438	4,817,962

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

	2026	2025
40 NUMBER OF EMPLOYEES		
Total employees of the Modaraba at the year end	21	25
Average employees of the Modaraba during the year	20	24

41 NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors of the Modaraba Management Company in its meeting held on September 28, 2026 approved a final profit distribution of Rs. 10 per certificate, amounting to Rs. 30,000,000 for the year ended June 30, 2026.

42 GENERAL

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

42.2 The Modaraba has set up provident fund for it's permanent employees and the contributions are made by the Modaraba to the fund.. The audited financial statements of the provident fund for the year ended June 30, 2026 is in progress. However, the net assets of the provident fund based on the audited financial statements as at June 30, 2025 amounted to Rs. 152.711 million out of which 81.75% was invested in different financial instruments categories while 3.02% as deposit with banks. The fair value as at June 30, 2025 of investments of the provident fund amounted to Rs. 123.568 million.

43 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors of the Modaraba Management Company and authorized for issue on September 28, 2026.

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

Naveed Riaz
Chief Executive

Ameed Riaz
Director

Omar Mohammad Khan
Director

Sheheryar Ali
Chief Financial Officer

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

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

For the Year ended June 30, 2026

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

1. The total number of male directors are 4*:

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

2. The composition of board is as follows:

Category	Names
A) Executive Directors*	Mr. Naveed Riaz Mr. Ameer Riaz
B) Non-Executive Directors	Mr. Omar Mohammad Khan
C) Independent Director	Mr. Aliuddin Ahmed
D) Female Director	Position is vacant since 15-04-2025**

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

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

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Management Company.
4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All the directors of the Management Company have minimum of 14 years of education and over 15 years of experience on the board of a listed Management Company and therefore are exempted from director's training program.
10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary, and Head of Internal Audit, along with their remuneration and terms of employment, in compliance with the applicable regulatory requirements.
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.
12. The board has formed following committees comprising of members given below:

Committee	Name of members and Chairman
a) Audit Committee	Chairman : Mr. Aliuddin Ahmed Member : Mr. Omar Mohammad Khan
b) HR and Remuneration Committee	Chairman : Mr. Aliuddin Ahmed Member : Mr. Omar Mohammad Khan Member : Mr. Ameer Riaz

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

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

Committee	Frequency of meetings
a) Audit Committee	Four quarterly meetings during the financial year ended June 30, 2026
b) HR and Remuneration Committee	One meeting held during the year

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

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

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

18. We confirm that all requirements of the Regulations 3, 6, 8, 32, 33 and 36 have been complied with. The requirements of regulations 7 and 27(1)(i) have not been complied with, for the reasons given below.

S. No.	Paragraph reference	Description	Explanation
1	7 (Mandatory)	The board of directors of the Management Company shall include at least one female director.	The position of female director on the Board has been vacant since April 15, 2025 due to the sad demise of Mrs. Saadat Ikram. The Board has approved the appointment of a new female director, which is subject to approval of the Registrar Modaraba.
2	27(1)(i) (Mandatory)	The audit committee shall be constituted of at least three members comprising of non-executive directors and at least one independent director.	Following the vacancy of the female director, the audit committee comprises two non-executive members, including the independent director as its chairman. The committee will be reconstituted with a third member upon appointment of the new female director, subject to approval of the Registrar Modaraba.

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

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

Mr. Omar Mohammad Khan
Chairman
Karachi: September 28, 2026

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

Following is gender pay gap calculated for the year ended June 30, 2026:

- (i) Mean Gender Pay Gap: 31.57%
- (ii) Median Gender Pay Gap: -5.68%

For and on behalf of the Board

Ameed Riaz
Director

Date: 24th September 2026

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE CERTIFICATE
HOLDERS OF
FIRST IMROOZ MODARABA
ON THE STATEMENT OF COMPLIANCE CONTAINED IN
THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of AR Management Services (Private) Limited (the Modaraba Management Company) for and on behalf of **First Imrooz Modaraba** (the Modaraba) for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

Further, we highlight below instances of non-compliance with the requirements of the Regulations as stated in the below-referred paragraphs of the Statement of Compliance:

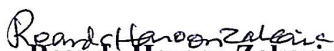
Reanda

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Suite Nos. M13, 709 & 710 Progressive Plaza, Beaumont Road, Karachi 75530, Pakistan.
Tel: +92 (21) 3567 4741-44 Fax: +92 (21) 3567 4745 | Email: info@hzasrkh.pk | www.hzasr.pk

Other offices at:
Lahore and Islamabad

<i>S. No.</i>	<i>Regulation reference</i>	<i>Paragraph reference</i>	<i>Description of the Non-Compliance</i>
1	7 (Mandatory)	18	The Regulation requires that the board of directors of the Modaraba Management Company shall include at least one female director, as part of the composition requirements of the board. By virtue of the sad demise of female director on April 15 2025, the Management Company does not have a female director on the Board as the casual vacancy is not filled with in the prescribed time.
2	27 (1).(I) (Mandatory)	18	It is mandatory that the audit committee shall be constituted by the board keeping in view the following requirements: the Board shall establish an audit committee of at least three members comprising of non-executive directors and at least one independent director. By virtue of the sad demise of female director on April 15 2025 who was a member of the audit committee, currently the Board's audit committee comprises of only two members as the casual vacancy is not filled with in the prescribed time.
3	10 A (1) - 10 A (6) (Non-Mandatory)	19	The Board is responsible for governance and oversight of sustainability risks and opportunities, which includes environmental, social and governance (ESG) considerations, within the company by setting the company's sustainability strategies, priorities and targets to create long term corporate value. The Board is also encouraged to adopt SECP's ESG Disclosure Guidelines. The directors' report shall provide adequate disclosures regarding the assessment of sustainability related risks, how these are managed or mitigated, and measures taken to promote DE&I in the Company. The entity is not complying with the aforementioned Regulation. Management explains that the Modaraba is mainly engaged in trading. business and has little or no environmental impact, however, the Modaraba will ensure relevant compliance with the specific Regulation in ensuing years.



Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi

Dated: 28 SEP 2026

UDIN: CR202610086FOWzBNDn9

Engagement Partner
Muhammad Iqbal

Mufti Abdul Qadir

Shariah Advisor

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

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

Ref: ASRR-2026

Date: 28-09-26

Annual Shari'ah Review Report of
First Imrooz Modaraba
For the year ended June 30, 2026

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

I have conducted the Shari'ah review of First Imrooz Modaraba managed by A R Management Services (Pvt) Limited, the Modaraba Management Company for the year ended June 30, 2026, in accordance with the requirements of the Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas and report that, in my opinion:

- i. The Modaraba has introduced a mechanism that has strengthened the Shari'ah compliance, in letter and spirit and the systems, procedures, and policies adopted by the Modaraba are in line with the Shari'ah principles;
- ii. Following were the major developments that took place during the year:

Training and Development: The key staff of the First Imrooz Modaraba is fully equipped with Shari'ah-compliant business modes and all relevant industry tools through training. One of the key management member successfully completed the "All New Directors' Training Program" from Pakistan Institute of Corporate Governance. In addition, the same key member participated in the training program on "Islamic Financing Solutions for Corporate Success" organised by National Institute of Banking and Finance" during the period.

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

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

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



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

Observations:

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

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

Recommendations:

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

Conclusion:

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

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

Signature



Abdul Qadir
Shari'ah Advisor

Dated: September 28, 2026

**PATTERN OF HOLDINGS OF THE CERTIFICATES
BY THE CERTIFICATE HOLDERS AS AT JUNE 30, 2026**

(on Form No. XII prescribed under Rule 14 of the Modaraba Companies & Modaraba Rules, 1981)

Number of Certificate Holders	:	Certificate Holding		:	Total Certificates Held
		From	To		
123	:	1	100	:	2,825
109	:	101	500	:	50,572
16	:	501	1000	:	15,500
18	:	1001	5000	:	45,115
9	:	5001	10000	:	69,676
4	:	10001	15000	:	50,700
2	:	20001	25000	:	45,863
1	:	45001	50000	:	45,200
1	:	55001	60000	:	56,200
1	:	65001	70000	:	68,700
2	:	115001	120000	:	236,681
1	:	205001	210000	:	205,787
1	:	235001	240000	:	236,681
2	:	240001	245000	:	480,500
2	:	255001	260000	:	518,100
1	:	270001	275000	:	271,900
1	:	595001	600000	:	600,000
294					3,000,000

Categories of Certificate Holders	:	Number	:	Certificates Held	:	Percentage %
Individuals	:	291	:	2,394,500	:	79.82
Joint Stock Companies	:	1	:	5,000	:	0.17
Modaraba Company	:	1	:	600,000	:	20.00
Others	:	1	:	500	:	0.02
	:	294	:	3,000,000	:	100.00

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

ASSOCIATED COMPANIES **SHARES HELD**

A R Management Services (Pvt) Limited	
Modaraba Management Company	600,000

**DIRECTORS, CEO THEIR
SPOUSE & MINOR CHILDREN**

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

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

First Al Noor Modaraba	5,000
N H Securities (Pvt) Limited	500

CERTIFICATE HOLDERS HOLDING 10% OR MORE

A R Management Services (Pvt) Limited
Modaraba Management Company
Mr. Naveed Riaz
Mrs. Roqaiya Riaz w/o Mr. Ameer Riaz

TRADES IN THE MODARABA CERTIFICATES

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

NOTICE OF ANNUAL REVIEW MEETING

Notice is hereby given that Annual Review Meeting of certificate holders of First Imrooz Modaraba will be held on Tuesday, 27 October 2026 at 11:30 a.m. at Registered Office of the Modaraba Company situated at 125-S, Small Industrial Area, Kot Lakhpat, Lahore, to review the performance of the Modaraba for the year ended June 30, 2026.

The Certificate Holders whose names appear on the Register of Certificate Holders of First Imrooz Modaraba as on October 13, 2026 will be eligible to attend the Annual Review Meeting.

By order of the Board

October 06, 2026

Shabbir Ahmed Jamsa

COMPANY SECRETARY

Note:

1. The Certificate Transfer Book will remain closed from October 14, 2026 to October 27, 2026 (both days inclusive) for the purpose of attending Annual Review Meeting. All transfer received in order up to close of business on October 13, 2026 at our Registrar's office M/s F.D. Registrar Services (Pvt) Limited, Office No. 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi, will be considered in time.
2. CDC Certificate Holders desiring to attend the meeting are requested to bring their original CNIC, Account and participant's ID number for identification purpose.

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A R MANAGEMENT SERVICES (PRIVATE) LIMITED



FIRST IMROOZ MODARABA

Room No. 405, 4th Floor, Beaumont Plaza, Beaumont Road,
Civil Lines Quarters, Karachi-75530, Pakistan.

Tel: (+92-21) 3522 2743-5

Fax: (+92-21) 3522 2668

e-mail: enquiries@imrooz.com

Website: www.firstimrooz.com