

# Shari'ah Advisor's Report

## First Treet Manufacturing Modaraba (June 30, 2024)

I have conducted the Shari'ah review of First Treet Manufacturing Modaraba managed by Treet Holdings Limited Modaraba Management Company for the financial year ended June 30, 2024 in accordance with the requirements of the **Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas** and report that except the observations as reported hereunder, in my opinion:

- i. The Modaraba has introduced a mechanism which has strengthened the Shari'ah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shari'ah principles.
- ii. The agreement(s) entered by the Modaraba are Shari'ah compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board of SECP and all the related conditions have been met.
- iii. The company has closed its savings accounts in conventional branches of MCB and HBL and convert them to current accounts. Furthermore, it has shifted the machinery breakdown insurance from a conventional insurance policy to a Takaful policy. These steps highlight the company's strong commitment to aligning its operations with Islamic principles, demonstrating its dedication to ethical and responsible business practices.
- 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. Charity/donation of interest amount on saving accounts of the said conventional banks has been paid.

### Recommendation(s):

- It is recommended that the company consistently consults with its Shari'ah advisor regarding all transactions and business matters, obtaining formal Shari'ah approval to ensure full compliance with Shari'ah guidelines.
- The Modaraba company should arrange regular Shari'ah training sessions for its staff to ensure a thorough understanding of Islamic principles in all business practices.

### Conclusion:

It is opined that to the best of my knowledge and according to the explanations given to me, the business transactions undertaken by the Modaraba, and overall business operations during the year are in compliance with the rules & principles of Shari'ah.

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



**Mufti Muhammad Javed**  
Shari'ah Advisor

**Dated:** 27<sup>th</sup> September, 2024