

Annual Report
2025

First Tri-Star Modaraba



Managed by:
A.R.T. Modaraba Management (Private) Limited

Vision Statement

First Tri-Star Modaraba is committed to strive for excellence in all areas of its activity.

Mission Statement

We view our business objective of providing distinctive financial products and services that promote commerce and industry within the context of our overall objective of contributing to the nation's prosperity.

Core Value

1. Striving for continuous improvement and innovation with commitment and responsibility;
2. Treating stakeholders with respect, courtesy and competence;
3. Practicing highest personal and professional integrity;
4. Maintaining teamwork, trust and support, with open and candid communication;
5. Ensuring cost consciousness in all decisions and operations.

Statement of Ethics and Business Practices

The articulation of this statement is based on following points:

1. Questionable and improper payments or use of the Company's assets.
2. Political contributions.
3. Conflict of interest.
4. Books and records of the Company.
5. Payment of amounts due to customers, agents or distributors.
6. Reporting violations.
7. Means as important as the end.
8. Integrity and scrupulous dealings.
9. Strict observance of the laws of the country.
10. Giving and receiving gifts.

Board of Directors

Board of Directors:	Ms. Marium Ahmad	Non-Executive Chairman/Director
	Mr. Asad Ahmad	Chief Executive
	Mr. Ahmed Khizer Khan	Non-Executive Director/Independent Director

Auditors:	M/s. Crowe Hussain Chaudhury & Co. Chartered Accountants
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Audit Committee:	Mr. Ahmed Khizer Khan	Chairman
	Ms. Marium Ahmad	Member
	Mr. Asad Ahmad	Member

Shariah Advisor:	Alhamd Shariah Advisory Services (Pvt) Ltd.
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Bankers:	Al Baraka Bank (Pakistan) Ltd.
	Bank Al-Habib Ltd.
	Habib Bank Ltd.
	National Bank of Pakistan

Registered Office:	A/33, Central Commercial Area, Block 7/8, KCHSU, Karachi.
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Management Company:	A.R.T. Modaraba Management (Pvt) Ltd.
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Notice of Annual Review Meeting

Twenty Sixth Annual Review Meeting of the Certificate Holders of First Tri-Star Modaraba will be held on Tuesday, October 28, 2025 at 9.30 am at F/538, S.I.T.E., Karachi.

The Certificate Transfer Books shall remain closed from October 23, 2025 to October 30, 2025 (both days inclusive). Transfers received in order at the office of the Share Registrar before the close of business on October 22, 2025 will be considered in time for the purpose of attendance of the Annual Review Meeting.

By Order of the Board

Chief Executive

Dated: October 6, 2025
Place: Karachi

فرسٹ ٹرائی اسٹار مضاربہ | سالانہ رپورٹ

نوٹس برائے سالانہ جائزہ اجلاس

نوٹس ہذا کے ذریعے مطلع کیا جاتا ہے کہ فرسٹ ٹرائی اسٹار مضاربہ کے سرٹیفکیٹ ہولڈرز کا چھبیسواں (26 واں) سالانہ جائزہ اجلاس عام (ARM) مورخہ 28 اکتوبر 2025ء بروز منگل صبح 09:30 بجے بمقام F/538، سائٹ کراچی میں منعقد ہوگا:

سرٹیفکیٹ ٹرانسفر books مورخہ 23 اکتوبر 2025ء سے 30 اکتوبر 2025ء (بشمول دونوں ایام) تک بند رہیں گی۔
22 اکتوبر 2025ء کو کاروبار بند ہونے سے پہلے شیئر رجسٹرار کے دفتر میں باقاعدہ موصول ٹرانسفرز کو سالانہ جائزہ اجلاس میں شرکت کے لئے بروقت شمار کیا جائے گا۔

بحکم بورڈ

چیف ایگزیکٹو

تاریخ: 06 اکتوبر، 2025ء

مقام: کراچی

Report of Directors of A.R.T. Modaraba Management (Pvt) Limited as on June 30, 2025

The Board of Directors of A.R.T. Modaraba Management (Pvt) Limited present the 34th Annual Report of First Tri-Star Modaraba together with audited accounts for the year ended 30th June, 2025.

1. FINANCIAL RESULTS

Financial results are summarized as follows:

	2025	2024
	-----Rupees-----	
Revenue	37,570,611	35,531,000
Administrative Expenses	(56,782,181)	(33,072,224)
	(19,211,570)	2,458,776
Other Income	7,708,491	35,127
Financial Charges	(2,110,199)	(1,909,263)
Profit before Taxation	(13,613,277)	584,640
Modaraba Company's Management fee	-	(58,464)
Sindh sales tax on Management Company's fee	-	(7,600)
Workers' Welfare Fund	-	(11,693)
Profit before Taxation	(13,613,277)	506,883
Taxation	173,743	1,602,015
Profit for the year	(15,029,891)	1,661,753
Other comprehensive income		
Items that may be reclassified to statement of profit or loss in subsequent periods		
Surplus on revaluation of investments classified as 'at fair value through other comprehensive income' - net	53,970,361	38,415,283
	38,940,470	40,077,036
Earnings per certificate - basic and diluted	(0.71)	0.08

2. BUSINESS

During the year, Modaraba continued generating revenue through running an educational institution which has established itself well within a short time. We are pleased to announce that Imperial Tutorial College has been accredited and approved by the Sindh Higher Education Commission to operate under Foreign Collaboration (Type-I) with Foreign University in Fashion Design (Undergraduate & ADP).

3. DIVIDEND

The Board of Directors have recommended nil dividend for the year ended 30.06.2025.

4. BOARD OF DIRECTOR

The Board of Directors assumed their office with effect from 12th February, 2024 for 3 years.

5. AUDITORS

The present auditors M/s. Crowe Hussain Chaudhury & Co., Chartered Accountants, are due for retirement.

6. STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAME WORK

- a. The financial statements, prepared by the management of the Modaraba, present fairly it's state of affairs, the results of its operations, cash flows and change in equity.
- b. Proper books of accounts of the Modaraba have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departure therefrom has been adequately disclosed.
- e. The system of internal control is sound and designed and have been effectively implemented and monitored.
- f. There are no significant doubts upon the Modaraba's ability to continue as going concern.
- g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h. The Directors and CEO do not hold any interest in the certificates of the Modaraba other than that disclosed in the pattern of certificate holding.
- i. Key operating and financial data for the last six years in summarized form is annexed.
- j. During the year four (4) meetings of the Board of Directors were held, attendance by each Director is as follows:-

<u>Name of Director</u>	<u>No. of Meetings attended</u>
Mr. Asad Ahmad	04
Ms. Marium Ahmad	04
Mr. Ahmed Khizer Khan	04

- k. The pattern of certificate holdings is annexed.

7. ACKNOWLEDGMENTS

The Board would like to place on record its appreciation of hard work of the staff responsible for the Modaraba's affairs.

On behalf of the Board

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Dated: October 6, 2025

ڈائریکٹرز رپورٹ

برائے A.R.T. مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ

مؤرخہ 30 جون 2025ء

A.R.T. مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2025ء کو اختتام پذیر سال کے لئے فرسٹ ٹرائی اسٹار مضاربہ کی چوتھیں ویں (34 ویں) سالانہ رپورٹ کے ہمراہ پڑتال شدہ کھاتے ازراہ مسرت پیش کرتے ہیں۔

1. مالیاتی نتائج

مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

2024ء	2025ء	
.....روپے.....		
35,531,000	37,570,611	آمدنی
(33,072,224)	(56,782,181)	انتظامی اخراجات
2,458,776	19,211,570	
35,127	7,708,491	دیگر آمدنی
(1,909,263)	(2,110,199)	مالیاتی اخراجات
584,640	(13,613,277)	
(58,464)	(58,464)	مضاربہ کمپنی کی انتظامی فیس
(7,600)	(7,600)	مینجمنٹ کمپنی کی فیس پرسروسز سلیزٹیکس
(11,693)	(11,693)	ورکرز ویلفیئر فنڈز
506,883	(13,613,277)	نفع بمعہ ٹیکسیشن
1,602,015	173,743	ٹیکسیشن

1,661,753 (15,029,891)

مذکورہ برس کا منافع

دیگر جامع آمدنی

وہ اجزاء جن کی بعد کے ادوار میں منافع یا نقصان

کے بیان میں دوبارہ درجہ بندی کی جاسکتی ہے

سرمایہ کاری کی دوبارہ تشخیص پر اضافہ کی درجہ

بندی بطور دیگر جامع آمدنی کے بنیاد پر۔ خالص 38,415,283 53,970,361

40,077,036 38,940,470

0.08

(0.71)

فی سٹوفلیٹ آمدنی - بنیادی و تحلیلی

2. کاروبار

رواں برس کے دوران، مضاربہ رینٹل انکم اور تعلیمی ادارے سے حاصل آمدنی سے ریونیو پیدا کر رہا ہے۔ یہ ادارہ قلیل عرصے میں اپنی ساکھ مضبوط کرنے میں کامیاب ہوا ہے۔ ہمیں یہ اعلان کرتے ہوئے خوشی ہو رہی ہے کہ امپیریل ٹوٹوریل کالج کو سندھ ہائر ایجوکیشن کمیشن نے فیشن ڈیزائن (انڈرگریجویٹ اور اے ڈی پی) میں غیر ملکی یونیورسٹی کے ساتھ غیر ملکی تعاون (ٹائپ-ا) کے تحت کام کرنے کے لئے منظوری دے دی ہے۔

3. منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 30.06.2025 کو اختتام پذیر سال کے لئے صفر منافع منقسمہ تجویز کیا ہے۔

4. بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز نے عرصہ تین سال کے لئے 12 فروری 2024ء سے اپنی ذمہ داریاں سنبھالی ہیں۔

5. آڈیٹرز

حالیہ آڈیٹرز میسرز کرو حسین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہونے والے ہیں۔

6. کاروباری و مالیاتی رپورٹنگ فریم ورک پر اعلامیہ

- (a) مضاربہ کی انتظامیہ کی تیار کردہ مالیاتی اسٹیٹمنٹس سرمایے میں تبدیلی، کیش فلو، آپریشنز کے نتائج اور کاروباری امور کی بہترین عکاسی کرتی ہیں۔
- (b) مضاربہ کے کھاتوں کی صحیح کتابیں تیار کی گئی ہیں۔
- (c) مالیاتی اسٹیٹمنٹس کی تیاری میں موافق اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات موزوں فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- (d) مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز کی پیروی کی گئی ہے اور اس میں کسی بھی قسم کے سقم کو مناسب انداز میں ظاہر اور واضح کیا گیا ہے۔
- (e) داخلی نظم و نسق کا ایک مربوط سسٹم قائم اور موثر انداز میں نافذ کیا گیا ہے اور اس کی باقاعدہ نگرانی کی جاتی ہے۔
- (f) مضاربہ کی کاروبار جاری رکھنے کی صلاحیت میں کوئی ابہام نہیں ہے۔
- (g) لسٹنگ ضوابط میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کوئی سقم موجود نہ ہے۔
- (h) سٹوفلیٹ ہولڈنگ کی وضع میں بیان تفصیلات کے علاوہ ڈائریکٹرز اور CEO مضاربہ کے سٹوفلیٹ میں کوئی دلچسپی نہیں رکھتے۔
- (i) گذشتہ چھ سال کا اہم آپرینٹنگ و مالیاتی ڈیٹا خلاصہ کی شکل میں ساتھ منسلک ہے۔
- (j) مذکورہ سال کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

اجلاس میں حاضری کی تعداد

ڈائریکٹر کا نام

04

جناب اسد احمد

04

محترمہ مریم احمد

04

جناب احمد خضر خان

k. سٹوفیلیٹ ہولڈنگ کا پیٹرن لف ہذا ہے۔

7. اظہار تشکر

بورڈ مضاربہ امور کے لئے ذمہ دار عملے کی ان تھک محنت کو خراج تحسین پیش کرتا ہے۔

منجانب بورڈ

مریم احمد

ڈائریکٹر

اسد احمد

چیف ایگزیکٹو

تاریخ: 16 اکتوبر 2025ء

Independent Auditor's Report

To the Certificate holders of First Tri-Star Modaraba

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, 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 (Floatation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Modaraba and Modaraba Company [A.R.T Modaraba Management (Private) Limited] in accordance with the International Ethics Standards Board for Accountants 'Code of Ethics for Professional Accountants' as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following are the Key audit matters:

S.No	Key Audit Matter	How the matter was addressed in our audit
(i)	<p>Income from academic services</p> <p>(Refer notes 4.5 and 18 to the annexed financial statements)</p> <p>The Modaraba generates income mainly from tuition fees and other ancillary services. Tuition fees are recognised over the period of time, while income from other</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> - Understood and evaluated the accounting policies applied for recognition of tuition and ancillary fees revenue. - Tested tuition fee transactions on a sample basis with supporting documentation, including student enrolment records, class schedules, and fee receipts, to assess

	<p>ancillary services is recognised on point of time basis.</p> <p>We considered revenue recognition as a key audit matter as it is an area of significant audit risk as part of the audit process.</p>	<p>whether revenue was recognised in the appropriate reporting period.</p> <ul style="list-style-type: none"> - Verified recognition of ancillary service fees with underlying agreements and evidence of service delivery. - Performed analytical procedures on tuition fee revenue trends by intake, courses, and academic periods to assess reasonableness.
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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. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

Responsibilities of management and Board of Directors of the modaraba company for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) Proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes 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 but not 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 Imran Shaikh.

sd/-
Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Dated: October 6, 2025

UDIN: AR2025102071QYvLtSyb

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

First Tri-Star Modaraba ("the Modaraba") managed by A.R.T. Modaraba Management (Private) Limited (the Management Company)

For the Year Ended June 30, 2025

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

1. The total number of directors are 3 as per the following:
 - a. Male: 2
 - b. Female: 1

2. The composition of Board is as follows:

<u>CATEGORY</u>	<u>NAMES</u>
Independent Director	Mr. Ahmed Khizer Khan
Non-Executive Director	Ms. Marium Ahmad
Executive Director	Mr. Asad Ahmad
Female Director	Ms. Marium Ahmad

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including the 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 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 of Directors/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 have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Chief Executive and one Director has the prescribed education and experience required for exemption under Clause 19(2) of Code of Corporate Governance (CCG) Regulations. Accordingly, they are exempt from attending directors' training program pursuant to the Clause 19(2) of the CCG Regulations. One director has attended and completed Directors' training course conducted by Institute of Cost and Management Accountants of Pakistan (ICMAP).
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the Financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

Board Audit Committee:

<u>NAME</u>	<u>DESIGNATION</u>
Mr. Ahmed Khizer Khan	Chairman
Ms. Mariam Ahmad	Member
Mr. Asad Ahmad	Member

Board Human Resource & Remuneration Committee:

<u>NAME</u>	<u>DESIGNATION</u>
Mr. Ahmed Khizer Khan	Chairman
Ms. Mariam Ahmad	Member
Mr. Asad Ahmad	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a) Board of Directors	4 Quarterly meetings
b) Board Audit Committee	4 Quarterly meetings
c) Board Human Resource & Remuneration Committee	1 Annual meeting
15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations given below:

S. No	Requirement	Explanation of Non compliance	Regulation No.
1	Sustainability Committee: As per requirements of the Code, the board should oversee the company's sustainability and Diversity equity and inclusion (DE&I), adopting SECP's ESG Guidelines and ensuring policies for diversity and gender equality. They must manage sustainability risks, including climate-related ones, and review performance regularly. A dedicated committee, including at least one female director, should monitor these efforts, ensure compliance, and report annually. The director's report should cover risk management and DE&I initiatives. However, the board has not constituted such a committee as required by the regulations.	The Board will review the matter and ensure compliance with the aforesaid regulations, including consideration of the constitution of a separate Sustainability Committee. FTSM has a Board approved Gender Diversity Policy in place. Appropriate disclosures will be included in the Directors' Report regarding the assessment and management of sustainability related risks and the measures adopted to promote diversity, equity, and inclusion within the Company.	10A

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Karachi: October 06, 2025

Independent Auditor's Review Report

To the certificate holders of First Tri Star Modaraba

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **A.R.T Modaraba Management (Private) Limited**, the Management Company of First Tri Star Modaraba (the Modaraba), for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, for and on behalf of the Modaraba, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2025.

Place: Karachi

Dated: October 6, 2025

UDIN: CR202510207JnKk2SwmT

sd/-

Crowe Hussain Chaudhury & Co.
Chartered Accountants



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Annual Shariah Advisor's Report

For the period ended June 30, 2025

We have conducted the Shariah review of the First Tri-Star Modaraba for the financial year ended June 30, 2025, by the requirements of the Shariah Compliance and Shariah Audit Mechanism for Modarabas. Based on our review, we report the following:

REVIEW OF OPERATIONS:

The followings were the major activities/developments in respect of Shariah that took place during this period:

BANK ACCOUNTS:

The Modaraba maintains bank accounts with Islamic banks while some current accounts operate with conventional banks.

EQUITY INVESTMENTS:

The major equity investments of Mudarabah were made in compliant scripts. However, certain investments were non-compliant in Kohinoor Industries Limited and Saudi Pak Leasing Limited. The investment in Kohinoor has been disposed of, while the investment in Saudi Pak Leasing cannot be disposed of as it is currently suspended.

DIVIDEND PURIFICATION:

Modaraba has effectively performed the process of dividend purification of equities and transferred charitable amounts to the approved charity.

TAKAFUL:

For risk mitigation, the Modaraba has effectively adopted and maintained Takaful coverage with Takaful companies, avoiding any coverage from conventional insurance companies, as per the information provided to us.

CONCLUSION:

Besides the above-mentioned improvements, the Management of First Tri-Star Modaraba has shown its sincerity to comply with Shariah Rulings; therefore, we are of the view that the business operations of First Tri-Star Modaraba are Shariah Compliant.

Mufti Muhammad Ibrahim Essa
CEO & Director



Mufti Ubaid ur Rahman Zubairi
Director

1st October 2025



STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

		2025	2024
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Fixed assets	5	4,983,914	5,760,284
Right of use asset	6	17,962,643	8,282,004
Long term deposit		58,500	58,500
Long term investments	7	555,980,342	480,130,937
		578,985,399	494,231,725
Current assets			
Short term investments	8	490,113	394,252
Advance and deposit	9	4,118,421	68,670,931
Other receivables		8,578	400,417
Cash and bank balances	10	2,993,562	1,609,357
		7,610,674	71,074,957
TOTAL ASSETS		586,596,073	565,306,682
EQUITIES AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized certificate capital 40,000,000 (2024: 40,000,000) Modaraba Certificates of Rs. 10 each		400,000,000	400,000,000
Issued, subscribed and paid-up certificate capital	11	211,631,040	211,631,040
Reserves	12	141,746,639	199,102,738
Certificate holders' equity		353,377,679	410,733,778
Surplus on revaluation of investments	13	89,038,057	35,067,696
NON CURRENT LIABILITIES			
Security deposits		2,730,000	2,280,000
Liability against right of use assets	14	-	5,418,884
Deferred tax liability	15	37,274,076	15,472,913
		40,004,076	23,171,797
CURRENT LIABILITIES			
Accrued and other liabilities	16	43,011,150	29,509,594
Current maturity of liability against right of use assets	14	20,033,677	4,052,655
Provision for taxation		1,590,356	447,145
Unclaimed dividend		39,541,077	8,054,502
Unpaid dividend		-	54,269,514
		104,176,261	96,333,411
TOTAL LIABILITIES		144,180,337	119,505,208
TOTAL LIABILITIES AND EQUITY		586,596,073	565,306,682
Contingencies and Commitments	17		

The annexed notes from 1 to 34 form an integral part of these financial statements.

For A.R.T. Modaraba Management (Private) Limited (Management Company)

Chief Executive Officer

Director

Director

Chief Financial Officer

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

	Note	2025 -----Rupees-----	2024
Income from academic activities	18	37,570,611	35,531,000
Administrative expenses	19	(56,782,181)	(33,072,224)
		(19,211,570)	2,458,776
Other income	20	7,708,491	35,127
Financial charges	21	(2,110,199)	(1,909,263)
Operating (loss)/ profit		(13,613,277)	584,640
Modaraba Company's Management fee	16.1	-	(58,464)
Sindh sales tax on Modaraba Company's Management fee	16.2	-	(7,600)
Workers' Welfare Fund		-	(11,693)
(Loss) / profit before levy and taxation		(13,613,277)	506,883
Levy	22	(1,590,356)	(447,145)
(Loss) / Profit before taxation		(15,203,633)	59,738
Taxation	22	173,743	1,602,015
(Loss) / Profit after taxation		(15,029,891)	1,661,753

Other comprehensive income

Items that will not be reclassified subsequently to statement of profit or loss

Surplus on revaluation of investments classified at fair value through other comprehensive income - net

Total comprehensive income for the year

		53,970,361	38,415,283
		38,940,470	40,077,036
(Loss) / earnings per certificate- basic and diluted	23	(0.71)	0.08

The annexed notes from 1 to 34 form an integral part of these financial statements.

For A.R.T. Modaraba Management (Private) Limited (Modaraba Management Company)

Chief Executive Officer

Director

Director

Chief Financial Officer

STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2025

	2 0 2 5	2 0 2 4
	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit before levy and taxation	(13,613,277)	506,883
Adjustments for non-cash and other items:		
Depreciation on fixed assets	932,370	1,113,464
Depreciation on right of use assets	11,051,823	4,141,002
Provision for penalties	3,800,000	-
Provision for advance tax	2,287,259	-
Security deposit received	450,000	-
Dividend income	(7,470,490)	(18,682)
Financial charges	2,110,199	1,896,533
	13,161,161	7,132,317
Operating (loss) / profit before working capital changes	(452,117)	7,639,200
Decrease in current assets		
Rent receivable	-	12,000,000
Advance and deposits	62,941,000	5,255,000
Other receivables	391,839	(391,839)
	63,332,839	16,863,161
Increase in current liabilities		
Accrued and other liabilities	2,268,453	12,905,757
	2,268,453	12,905,757
Cash generated from operating activities	65,149,175	37,408,118
Financial charges paid	(11,003)	-
Income tax paid	(1,122,895)	(1,811,802)
Net cash generated from operating activities	64,015,278	35,596,316
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	7,470,490	18,682
Capital expenditure incurred	(156,000)	-
Purchases of investments	-	(8,251)
Proceeds from sale of investments	-	35,886,000
Net cash generated from investing activities	7,314,490	35,896,431
CASH FLOW FROM FINANCING ACTIVITIES		
Long term deposits	-	510,000
Payment of lease rentals against right of use assets	(12,269,520)	(4,848,000)
Dividend paid	(57,676,043)	(72,709,110)
Net cash used in financing activities	(69,945,563)	(77,047,110)
Net increase / (decrease) in cash and cash equivalents during the year	1,384,205	(5,554,362)
Cash and cash equivalent at the beginning of the year	1,609,357	7,163,718
Cash and cash equivalent at the end of the year	2,993,562	1,609,357

The annexed notes from 1 to 34 form an integral part of these financial statements.

For A.R.T. Modaraba Management (Private) Limited (Management Company)

Chief Executive Officer

Director

Director

Chief Financial Officer

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

	Issued, subscribed and paid-up certificate capital	Capital reserve	Revenue reserve		Total certificate holders' equity
		Statutory reserve	General reserve	Unappropriated profits/(losses)	
			-----Rupees-----		
Balance as at July 01, 2023	211,631,040	92,659,929	10,000,000	221,759,680	536,050,649
Profit for the year	-	-	-	1,661,753	1,661,753
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,661,753	1,661,753
Final dividend for the year ended June 30, 2023	-	-	-	(84,652,416)	(84,652,416)
Interim dividend for the year ended 'June 30, 2024	-	-	-	(42,326,208)	(42,326,208)
Transfer of reserve	-	332,351	-	(332,351)	-
Balance as at June 30, 2024	211,631,040	92,992,280	10,000,000	96,110,458	410,733,778
Loss for the year	-	-	-	(15,029,891)	(15,029,891)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(15,029,891)	(15,029,891)
Final dividend for the year ended 'June 30, 2024	-	-	-	(42,326,208)	(42,326,208)
Transfer of reserve	-	-	-	-	-
Balance as at June 30, 2025	211,631,040	92,992,280	10,000,000	38,754,359	353,377,679

The annexed notes from 1 to 34 form an integral part of these financial statements.

For A.R.T. Modaraba Management (Private) Limited (Management Company)

Chief Executive Officer

Director

Director

Chief Financial Officer

Last Six Years Results at a Glance

	2025	2024	2023	2022	2021	2020
<u>Financial Position</u>						
Paid-up Capital (Rs.)	211,613,040	211,613,040	211,613,040	211,613,040	211,613,040	211,613,040
Reserves (Rs.)	141,746,639	199,102,738	324,419,609	(29,749,541)	(17,867,983)	(29,241,223)
Fixed Assets-WDV (Rs.)	4,983,914	5,760,284	6,873,748	90,878,718	94,447,570	104,873,938
Investments (Rs.)	556,470,454	480,525,189	462,223,913	36,193,549	38,837,696	40,854,130
Current Assets (Rs.)	7,610,674	71,074,957	92,548,334	81,439,277	80,838,453	50,858,387
Current Liabilities (Rs.)	104,176,261	96,333,411	26,908,039	27,491,819	17,353,117	13,370,542
<u>Income</u>						
Gain/(Loss) on sale of investments	-	-	-	1,240,388	-	-
Dividend Income	7,470,490	18,682	12,474	16,273	10,103	12,506
Net Profit/(Loss) for the year	(13,613,277)	506,883	356,418,850	759,276	13,489,550	2,274,266
Accumulated Profit/(Loss)	38,754,359	96,110,458	221,759,680	(61,575,640)	(49,612,336)	(60,985,576)
<u>Statistics & Ratios</u>						
Operating Profit/(Loss)						
Ratio (%)	(0.38)	0.02	8.45	0.03	0.39	0.08
Net Profit/(Loss) Ratio (%)	(0.42):1	0.05:1	8.31:1	0.01:1	0.34:1	0.08:1
Current Ratio						
Paid-up Value Per Share (Rs.)	10	10	10	10	10	10
Earning/(Loss) Per Share (Rs.)	(0.710)	0.080	16.740	0.020	0.640	0.110
Breakup value per Share (Rs.)	16.70	19.41	25.33	8.59	9.16	8.62
Net Assets (Rs in Million)	353.378	410.734	536.051	181.881	193.763	182.389
Net Asset Value Per Share (Rs.)	16.70	19.41	25.33	8.59	9.16	8.62
Cash Dividend (%)	-	40%	40%	-	6%	1%
Bonus Dividend (%)	-	-	-	-	-	-

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

1 LEGAL STATUS AND NATURE OF THE BUSINESS

First Tri-Star Modaraba "Modaraba" was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by A.R.T. Modaraba Management (Private) Limited (The Modaraba Management Company). The registered office of the Modaraba running an educational institution is situated at A/33, Central Commercial Area, Block 7/8, KCHSU, Main Shahrah-e-Faisal, Karachi. The Modaraba is listed on the Pakistan Stock Exchange Limited. It is a perpetual, multipurpose and multidimensional Modaraba. The Modaraba is engaged in sale and purchase of investments and in the operation of running an educational institute.

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 Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act 2017;

Provisions of and directives issued under the Companies Act 2017;

Requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations 2021; and

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

Where the provisions of and directives issued under the Companies Act, 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modaraba differ from IFRS Standards and IFAS, the provision of and directives issued under the Companies Act, 2017 the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared on the historical cost basis unless otherwise stated.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements have been presented in Pakistani Rupee, which is the functional and presentation currency of the Modaraba. All amounts have been rounded to the nearest rupee, unless otherwise stated

2.4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Modaraba's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, pattern of flow of economic benefits and impairment (note 4.1 & 5)
- Impairment of non financial assets (note 4.4)
- Impairment of financial assets (note 4.4)
- Current and deferred income taxes (note 4.6 & 23)
- Provisions and contingences (note 4.7 and 4.14)
- Leases - estimating the incremental borrowing rate (note 4.8 and 14)

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Modaraba's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

Standard or Interpretation	Effective date (annual periods beginning on or after)
IAS 01: Presentation of Financial Statements (Amendments)	January 01, 2024
IAS 07: Amendments to IAS 7 "Statement of Cash Flows"	January 01, 2024
IFRS 07: Amendments to IFRS 7 "Financial Instruments Disclosures" - Supplier Finance Agreements	January 01, 2024
IFRS 16: Amendments to IFRS 16 "Leases" - Classification on how seller - lessee subsequently measure sale and leaseback transactions	January 01, 2024
IFRS 7 and 9: Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 01, 2026
IFRS 7 and 9: Contracts referencing Nature-dependant Electricity	January 01, 2026
IFRS 1, 7: Annual Improvement to IFRS Accounting Standards 9, 10, and 7.	January 01, 2026

IFRS S1 – General requirements for disclosure of sustainability – related financial information & IFRS S2 – Climate related disclosures are applicable as follows:

Phase-I

Listed companies fulfilling any two criteria (i) to (iii) below shall comply the Sustainability Disclosure Standards from annual reporting periods beginning on or after July 1, 2025:

- i) Annual turnover greater than Rs. 25 billion in last two consecutive financial years as per their financial statements; or
- ii) Number of employees (permanent and contractual) greater than 1,000 as at last financial year-end; or
- iii) Total assets greater than Rs. 12.5 billion as at last financial year-end.

Phase-II

Listed companies fulfilling any two criteria (i) to (iii) below shall comply the Sustainability Disclosure Standards from annual reporting periods beginning on or after July 1, 2026:

- i) Annual turnover greater than Rs. 12.5 billion in last two consecutive financial years as per their financial statements; or
- ii) Number of employees (permanent and contractual) greater than 500 as at last financial year-end; or
- iii) Total assets greater than Rs. 6.25 billion as at last financial year-end.

Phase-II

Listed companies (other than those falling in Phase-I and Phase-II above) and non-listed Public-Interest-Companies which are licensed or registered with the Commission shall comply the Sustainability Disclosure Standards from annual reporting periods beginning on or after July 1, 2027.

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2026
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IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
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Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Fixed assets

Fixed assets are stated at cost less accumulated depreciation and any impairment loss.

Depreciation is charged to income applying the reducing balance method, whereby the depreciable amount of an asset is written off over its estimated useful life. Depreciation is charged at rates stated in note 5.

Depreciation on additions is charged from the month during which the asset is put to use. For disposals during the year, depreciation is charged up to the month preceding the month of disposal.

The assets' residual value and useful lives are reviewed at each financial year-end, and adjusted if the impact on depreciation is significant.

The profit or loss on disposal or retirement of an asset, represented by the difference between the sale proceeds and the carrying amount of the asset, is recognized as an income or expense. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

4.2 Advance and deposit

These are initially recognized when they are originated at the fair value of the consideration receivable and subsequently measured at amortized cost. These assets are written off when there is no reasonable expectation of recovery.

4.3 Financial instruments

a) Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the Modaraba becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Bank balances and loans, and advances to employees / counter parties are recognised when funds are transferred to the banks/employees/counterparties. The Modaraba recognises counterparties when funds reach the Modaraba.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

b) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Modarabas business model for managing them.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The Modaraba includes in this category short-term non-financing receivables, accrued income and other receivables.

Financial assets measured at fair value through profit or loss (FVPL)

A financial asset is measured at fair value through profit or loss if any of the following conditions are met;

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets measured at fair value through other comprehensive income (FVOCI)

Debt instrument

The Modaraba measures debt instruments at FVOCI if both of the following conditions are met:

- (a) The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

For debt instruments at FVOCI, profit income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss account and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in Other Comprehensive Income. Upon derecognition, the cumulative fair value change recognised in Other Comprehensive Income is recycled to profit or loss

Equity instrument

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

Gains and losses on these financial assets are never recycled to profit or loss account. Dividends are recognised as other income in the statement of profit or loss account when the right of payment has been established, except when the Modaraba benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in Other Comprehensive Income. Equity instruments designated at FVOCI are not subject to impairment assessment.

Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Modaraba has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Modaraba has:

- (a) transferred substantially all of the risks and rewards of the asset; or
- (b) neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Modaraba has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Modaraba's continuing involvement in the asset. In that case, the Modaraba also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Modaraba has retained. The Modaraba derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Any gain or loss on arising on derecognition is charged to profit or loss.

c) Financial Liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on derecognition is also recognized in the statement of profit or loss.

Financial liabilities comprise contractual trade and other payables, loans, accrued markup, etc.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position only when there is a legally enforceable right to set off the recognized amount and the Modaraba intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.4 Impairment

a) Financial assets

The Modaraba assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies general approach in calculating expected credit losses. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Company expects to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Modaraba recognises in profit or loss, as an impairment loss (or reversal of impairment), the amount of expected credit losses (or reversal of impairment) that is required to adjust the loss allowance at the reporting date. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b) Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the statement of profit or loss.

The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.5 Income from academic activities

Revenue from educational institutions is recognised when performance obligation is satisfied.

Tuition fee is recognized over the period of instruction and tuition fee received in advance is carried forward to relevant period. Revenue is recognised over the period of time when student receives and consumes tuition services simultaneously.

Fees received from rendering of other ancillary professional services are recognised at a point in time when performance obligation is satisfied.

4.6 Taxation

Income tax comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), and in which case the tax amounts are recognized directly in other comprehensive income or equity

4.6.1 Current

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.6.2 Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

The Modaraba designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.

4.6.3 Deferred

Deferred tax is recognized using the balance sheet method on all major temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward unused tax assets and unused tax losses can be utilized. The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax asset and liability is measured at the tax rate that is expected to apply to the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

4.7 Provisions

Recognition and measurement

Provisions for legal claims and make good obligations are recognized when the Modaraba has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Judgement and estimates

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit and loss and other comprehensive income unless the provision was originally recognized as part of cost of an asset.

4.8 Leases

Right-of-use assets

The Modaraba recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Modaraba is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. The right of use assets are included in fixed assets in own use.

Lease liabilities

At the commencement date of the lease, the Modaraba recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees

In calculating the present value of lease payments, the Modaraba uses the incremental borrowing rate at the lease commencement date if the profit rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Modaraba applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.9 Accrued and other liabilities

Accrued and other liabilities are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

4.10 Foreign currency translation

All monetary assets and liabilities in foreign currencies are translated into Pakistani rupees at the exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pakistani rupees at the exchange rate prevailing on the date of the transaction. All non-monetary items are translated into rupees at the exchange rate prevailing on the date of the transaction or on the date when fair values are determined. Exchange differences are included in income currently.

4.11 Profit distribution and other appropriations of profit

Profit distribution and other appropriations of profit are recognized in the year in which these are approved. Transfer to the statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which these relate.

4.12 Certificate capital and earning per certificate

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

Ordinary certificates are classified as equity and are recorded at their face value. Incremental costs directly attributable to the issue of new certificates or options are shown in equity as a deduction, net of tax, from the proceeds.

4.13 Segment reporting

A segment is a distinguishable component of the Modaraba that is engaged either in providing product or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Modaraba has only one reportable segment.

4.14 Contingencies

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

5 FIXED ASSETS

2025								
Particulars	Air-condition and refrigeration	Motor car	Furniture and fixture	Office equipment	Computer	Electric installation	Kitchen appliances	Total
-----Rupees-----								
<u>As at June 30 2024</u>								
Cost	119,700	6,311,543	4,651,579	583,919	232,700	366,200	63,990	12,329,631
Accumulated depreciation	(92,317)	(2,913,143)	(2,687,621)	(454,482)	(228,191)	(171,587)	(22,006)	(6,569,347)
Net book amount	27,383	3,398,400	1,963,958	129,437	4,509	194,613	41,984	5,760,284
<u>Year ended June 2025</u>								
Gross carrying amount								
Balance July 01, 2024	119,700	6,311,543	4,651,579	583,919	232,700	366,200	63,990	12,329,631
Additions	-	-	156,000	-	-	-	-	156,000
Balance June 30, 2025	119,700	6,311,543	4,807,579	583,919	232,700	366,200	63,990	12,485,631
<u>Accumulated Depreciation</u>								
Balance July 01, 2024	92,317	2,913,143	2,687,621	454,482	228,191	171,587	22,006	6,569,347
Depreciation charge for the year	2,738	679,680	211,996	12,944	1,353	19,461	4,198	932,370
Balance June 30, 2025	95,055	3,592,823	2,899,617	467,426	229,544	191,048	26,204	7,501,717
Net book amount	24,645	2,718,720	1,907,962	116,493	3,156	175,152	37,786	4,983,914
<u>As at June 30 2025</u>								
Cost	119,700	6,311,543	4,807,579	583,919	232,700	366,200	63,990	12,485,631
Accumulated depreciation	(95,055)	(3,592,823)	(2,899,617)	(467,426)	(229,544)	(191,048)	(26,204)	(7,501,717)
Net book amount	24,645	2,718,720	1,907,962	116,493	3,156	175,152	37,786	4,983,914
Rate	10%	20%	10%	10%	30%	10%	10%	

2024								
Particulars	Air condition and refrigeration	Motor car	Furniture and fixture	Office equipment	Computer	Electric installation	Kitchen appliances	Total
-----Rupees-----								
As at June 30 2023								
Cost	119,700	6,311,543	4,651,579	583,919	232,700	366,200	63,990	12,329,631
Accumulated depreciation	(89,273)	(2,063,544)	(2,469,402)	(440,101)	(226,259)	(149,962)	(17,341)	(5,455,882)
Net book amount	30,427	4,247,999	2,182,177	143,818	6,441	216,238	46,649	6,873,749
Year ended June 2024								
Gross carrying amount								
Balance July 01, 2023	119,700	6,311,543	4,651,579	583,919	232,700	366,200	63,990	12,329,631
Transferred to investment property	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance June 30, 2024	119,700	6,311,543	4,651,579	583,919	232,700	366,200	63,990	12,329,631
Accumulated depreciation								
Balance July 01, 2023	89,274	2,063,543	2,469,403	440,100	226,259	149,963	17,341	5,455,883
Depreciation charge for the year	3,043	849,600	218,218	14,382	1,932	21,624	4,665	1,113,464
Disposals	-	-	-	-	-	-	-	-
Balance June 30, 2024	92,317	2,913,143	2,687,621	454,482	228,191	171,587	22,006	6,569,347
Net book amount	27,383	3,398,400	1,963,958	129,437	4,509	194,613	41,984	5,760,284
As at June 30 2024								
Cost	119,700	6,311,543	4,651,579	583,919	232,700	366,200	63,990	12,329,631
Accumulated depreciation	(92,317)	(2,913,143)	(2,687,621)	(454,482)	(228,191)	(171,587)	(22,006)	(6,569,347)
Net book amount	27,383	3,398,400	1,963,958	129,437	4,509	194,613	41,984	5,760,284
Rate	10%	20%	10%	10%	30%	10%	10%	

6 RIGHT OF USE OF ASSETS

Note	2025	2024
	-----Rupees-----	
	8,282,004	-
	20,732,462	12,423,006
6.2	(11,051,823)	(4,141,002)
	17,962,643	8,282,004

6.1 This represents the Company's right to use the property of Sinolink REIT Management Company.

6.2 Amounts recognized in statement of profit or loss

2025	2024
-----Rupees-----	
11,051,823	4,141,002

Depreciation charge of right of use asset

7 LONG TERM INVESTMENTS

At fair value through other comprehensive income (FVOCI):

Investment in shares of listed Companies	7.1	50,342	28,937
Units of unlisted REIT Scheme	7.2	555,930,000	480,102,000
		555,980,342	480,130,937

7.1 Shares and certificates of listed companies and associated undertakings

No. of shares		Name of company/ associated undertaking	Jun-25		Jun-24	
			Cost	Fair value	Cost	Fair value
Jun-25	Jun-24		Rupees	Rupees	Rupees	Rupees
1,925	1,925	Image Pakistan Limited	19,426	47,086	19,426	25,449
400	400	Tri-Star Power Limited	8,634	3,256	8,634	3,488
			28,060	50,342	28,060	28,937

7.2 Units of unlisted REIT Scheme

No. of units		Name of REIT Scheme	Jun-25		Jun-24	
			Cost	Fair value	Cost	Fair value
Jun-25	Jun-24		Rupees	Rupees	Rupees	Rupees
42,600,000	42,600,000	Image REIT	426,000,000	555,930,000	426,000,000	480,102,000
			426,000,000	555,930,000	426,000,000	480,102,000

7.2.1 The amount is remeasured on net assets valuation of Image REIT, as per audited accounts for the year ended June, 30 2025: 13.05 (2024: 11.27)

8 SHORT TERM INVESTMENTS

Note	2025	2024
	-----Rupees-----	
	490,113	394,252
	490,113	394,252

At fair value through other comprehensive income (FVOCI):

Shares and certificates of listed companies

8.1 Shares and certificates of listed companies

No. of shares/certificates		Name of company	Jun-25		Jun-24	
			Cost	Fair value	Cost	Fair value
			Rupees	Rupees	Rupees	Rupees
2025	2024					
437	437	OLP Modaraba	7,305	8,202	7,305	5,952
70	70	First IBL Modaraba	1,860	336	1,860	202
132	132	Saudi Pak Leasing Company Limited	2,349	-	2,349	-
394	394	Sana Industries Limited	13,849	9,870	13,849	10,469
140	140	Nishat Mills Limited	3,533	17,623	3,533	9,919
120	120	Din Textile Mills Limited.	-	7,123	-	8,387
127	127	Jubilee Spinning & Weaving Mills Limited	2,004	1,519	2,004	1,676
301	301	Kohinoor Industries Limited	11,264	3,344	11,264	2,267
259	259	Packages Limited	7,816	143,636	7,816	138,674
1616	1616	Wafi Energy Pak Ltd. (Shell Pak. Ltd.)	88,544	298,459	88,544	216,706
			138,524	490,113	138,524	394,252

9 ADVANCE AND DEPOSIT

Note

2025

2024

-----Rupees-----

Advance income tax

3,714,421

5,325,931

Advance for purchase of solar panels

9.1

-

63,345,000

Security deposit - Image REIT

404,000

-

4,118,421

68,670,931

9.1 The advance was paid to related party "Habib Jamal & Co" for purchase of solar panels in advance.

10 CASH AND BANK BALANCES

2025

2024

-----Rupees-----

Cash in hand

173,930

1,479,936

Bank balances:

- Savings account

10.1

13,865

8,434

- Current account

2,805,767

120,987

2,819,632

129,421

2,993,562

1,609,357

10.1 This carries profit at rate ranging from 20.5% to 20.6% (2024: 14% to 17%).

11 ISSUED, SUBCRIBED AND PAID-UP CERTIFICATE CAPITAL

2025

2024

-----Rupees-----

2025

2024

-----No of certificates-----

11,900,000

11,900,000 Modaraba Certificates of Rs. 10 each fully paid in cash.

119,000,000

119,000,000

2,180,000

2,180,000 Bonus Certificates of Modaraba of Rs. 10 each issued as fully paid.

21,800,000

21,800,000

7,083,104

7,083,104 Modaraba Certificates of Rs.10 issued for acquisition.

70,831,040

70,831,040

21,163,104

21,163,104

211,631,040

211,631,040

12 RESERVES**Capital reserves**

- Statutory Reserve

92,992,280

92,992,280

Revenue reserves

- General Reserve

10,000,000

10,000,000

- Accumulated profit

38,754,359

96,110,458

48,754,359

106,110,458

141,746,639

199,102,738

13 SURPLUS ON REVALUATION OF INVESTMENTS

Market value of investments

556,470,454

480,525,189

Less: Cost of investments

(429,693,751)

(429,693,751)

Deferred tax impact

(37,738,647)

(15,763,742)

13.1

89,038,057

35,067,696

Surplus on revaluation at beginning of the year - net of tax

35,067,696

(3,347,587)

Surplus on revaluation classified at other comprehensive income during the year - net of tax

53,970,361

38,415,283

89,038,057

35,067,696

13.1 Surplus on revaluation of investments is presented under a separate head below equity as 'surplus on revaluation of investments' in accordance with the requirements of Circular No. SC/M/PRDD/PRs/2017-259 dated December 11, 2017

14 LIABILITY AGAINST RIGHT OF USE ASSETS**2025****2024**

-----Rupees -----

Balance as at beginning of the year

9,471,539

-

Additions during the year

20,732,462

12,423,006

Finance cost for the year

2,099,196

1,896,533

Payments made during the year

(12,269,520)

(4,848,000)

Balance as at end of the year

20,033,677

9,471,539

Less: Current maturity

-

(4,052,655)

20,033,677

5,418,884

The Modaraba has entered into lease agreements in respect of its rented office. It was initially measured at the present value of lease payments, discounted using the Modaraba's incremental borrowing rate that ranges from 19.22% to 21.22% per annum. The lease liabilities are subsequently being measured at amortised cost using the effective interest rate method.

2025**Minimum lease payments****Present value of minimum lease payments**

Not later than one year

21,126,864**20,033,677**

Later than one year but not later than five years

-

-

21,126,864**20,033,677****2024****Minimum lease payments****Present value of minimum lease payments**

Not later than one year

5,332,800

4,052,655

Later than one year but not later than five years

5,866,080

5,418,884

11,198,880

9,471,539

15 DEFERRED TAX LIABILITY

2 0 2 5 2 0 2 4
-----Rupees -----

This compromises the following:

Taxable temporary differences in respect of:

Fixed assets	136,030	54,138
Right of use asset	5,209,167	2,401,781
Revaluation of long term investments at fair value through OCI	37,685,907	15,689,580
Revaluation of short term investments at fair value through OCI	52,738	74,161

Deductible temporary differences in respect of:

Lease liability	(5,809,766)	(2,746,746)
	37,274,076	15,472,913

- 15.1** The deferred tax liability recognised in the statement of financial position and the movement during the year is analysed as follows:

Decription	Opening	Recognize in OCI	Recognize in P&L	Closing
-----Rupees -----				
Fixed assets	54,138	-	81,892	136,030
Long-term Image REIT FVOCI	15,689,580	21,996,327	-	37,685,907
Short-Term FVOCI	74,161	(21,423)	-	52,738
Right of use assets	2,401,781	-	2,807,386	5,209,167
Lease Liability	(2,746,746)	-	(3,063,020)	(5,809,766)
Total	15,472,914	21,974,905	(173,743)	37,274,076

16 ACCRUED AND OTHER LIABILITIES

Accrued expenses		4,879,582	2,521,467
Provision for penalties		3,800,000	-
Management fee	16.1	-	58,464
Sales tax payable on management fees	16.2	693,807	693,807
Workers' welfare fund		286,990	286,990
Withholding income tax	16.3	25,477,718	19,159,984
Zakat payable		7,873,053	6,788,882
		43,011,150	29,509,594

- 16.1** The Modaraba Management Company 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 fee for the year ended June 30, 2025 has been recognized at Nil (June 30, 2024: 58,464).
- 16.2** Sindh sales tax levied by the Sindh Government on remuneration of Modaraba Management Company has been charged at Nil (June 30, 2024: 8,736).
- 16.3** This represents withholding tax deducted on dividend payments but not deposited with the authorities.

17 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as on June 30, 2025 (June 30, 2024 : Nil)

18 INCOME FROM ACADEMIC ACTIVITIES

Note 2 0 2 5 2 0 2 4
-----Rupees -----

Tuition fee	34,665,250	32,547,250
Associate degree program certificate fee	1,386,361	704,250
Short courses fee	352,000	990,000
Admission Fee	1,167,000	1,289,500
	37,570,611	35,531,000

19 ADMINISTRATIVE EXPENSES

Salaries, wages, and other benefits	19.1	21,237,522	18,530,596
Depreciation on fixed assets	5	932,370	1,113,464
Depreciation on right of usset assets	6.2	11,051,823	4,141,002
Electricity expenses		5,075,614	2,544,294
Endowment fund contribution	19.2	3,800,333	10,050
Provision for penalties		3,800,000	
Fees and subscription		2,872,315	2,060,772
Provision for advance tax		2,287,259	-
Janitorial expenses		1,876,647	1,287,500
Advertisement		1,238,367	198,707
Auditors' remuneration	19.3	460,000	412,053
IT Services		378,000	579,000
Registrar services		330,601	426,734
Water expenses		218,400	189,216
Printing and stationery		192,640	137,398
Repair and maintenance		192,500	508,900
Entertainment		146,298	105,626
Insurance		99,660	97,500
Elevator maintenance & contract		72,000	56,000
Prior year adjustment		29,678	-
Picnic & Party - Student		20,000	61,980
General expenses		10,638	25,270
Postage and telegram		4,941	1,770
Computer expenses		3,000	-
Conveyance expenses		1,245	12,642
Medical Expenses		330	130
Travelling expenses		-	571,620
Other expenses		450,000	-
		56,782,181	33,072,224

19.1 These include employees on contractual basis.

19.2 Endowment fund contribution

This contribution is made to the Imperial Tutorial College Endowment Fund Trust, as per the requirement of the Sindh Higher Education Commission.

19.3 Auditors' remuneration

Audit fee	418,182	374,594
Out of pocket	41,818	37,459
	460,000	412,053

20 OTHER INCOME

Dividend income	7,470,490	18,682
Canteen sales	4,250	16,440
Other income	7,751	5
Reversal of prior year liability	226,000	-
	7,708,491	35,127

		2025	2024
		-----Rupees-----	
21	FINANCIAL CHARGES		
	Financial charges on liability against right of use assets	2,099,196	1,896,533
	Bank charges	11,003	12,730
		<u>2,110,199</u>	<u>1,909,263</u>
22	LEVY AND TAXATION		
	- Levy	1,590,356	447,145
	- Taxation	(173,743)	(1,602,015)
		<u>1,416,613</u>	<u>(1,154,870)</u>
22.1	This represents portion of minimum tax paid under section 113, final tax on dividend income under section 150 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.		
22.2	Taxation		
	- Current year	-	-
	- Prior year	-	(1,311,188)
	- Deferred	(173,743)	(290,827)
		<u>(173,743)</u>	<u>(1,602,015)</u>
22.3	Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognized in the profit and loss account, is as follows:		
	Current tax liability for the year as per applicable tax laws	1,590,356	447,145
	Portion of current tax liability as per tax laws, representing income tax under IAS12	-	-
	Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(1,590,356)	(447,145)
		<u>-</u>	<u>-</u>
22.4	The aggregate of minimum/final tax and income tax amounting to Rs. 1.590 million (2024: Rs. 0.447 million) represents the tax liability of the Modaraba calculated under the relevant provisions of the Income Tax Ordinance, 2001		
22.5	Provision for taxation has been made in accordance with section 113 & 150 of Income Tax Ordinance, 2001. There is no relationship between aggregate income tax expense and accounting profit before income tax. Accordingly, no numerical reconciliation is presented.		
22.6	The Modaraba computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. During the year, the Finance Act, 2025, enacted a turnover tax rate of 1.25% (2024: 1.25%) and the normal tax rate of 29% (2024: 29%); therefore, provision for the current tax is made @ 1.25% (2024: 1.25%) of the income/turnover. The deferred tax is computed at the rate of 29% (2024: 29%).		
23	LOSS PER CERTIFICATE- BASIC AND DILUTED		
23.1	Basic loss per certificate		
	Basic (loss) / earnings per certificate are calculated by dividing the net loss for the year by the weighted average number of certificates outstanding during the year as follows:		
	(Loss) / Earnings for the year	(15,029,891)	1,661,753
	No. of Ordinary Certificates	21,163,104	21,163,104
	(Loss) / earnings per certificate	<u>(0.71)</u>	<u>0.08</u>

23.2 Diluted

No figure for diluted earnings per certificate has been presented as the Modaraba has not issued any instruments which would have an impact on earnings per certificate when exercised.

24 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Modaraba comprise of associated companies, companies with common directors, major shareholders, directors and key management personnel.

Details of transaction with related parties during the year, other than those which have been disclosed elsewhere in these financial statements are as follows;

			Transactions	
Name of related parties	Nature of relationship	Nature of transaction	2 0 2 5 -----Rupees-----	2 0 2 4 -----Rupees-----
Image Pakistan Limited	Associated undertaking	Rental income received	-	6,000,000
		Advance adjusted	226,000	-
		Reimbursement of electric expense	6,000,000	6,000,000
		Electric expense	7,543,814	5,608,161
Image Tech Limited	Associated undertaking	Rental income received	-	6,000,000
Habib Jamal & Company	Associated undertaking	Advance paid during the year	6,350,000	48,305,000
		Advance adjusted against solar panel received	69,695,000	43,050,000
Imperial Tutorial College Endowment Fund	Associated undertaking	Contribution to the fund	3,800,333	-
			93,615,147	114,963,161
Name	Nature of relationship	Nature of balance	2 0 2 5 -----Rupees-----	2 0 2 4 -----Rupees-----
Image Pakistan Limited	Associated undertaking	Electric expense	(925,975)	391,839
Habib Jamal and Company	Associated undertaking	Advance adjusted against solar panel received	-	63,345,000
			(925,975)	63,736,839

24.1 No remuneration in kind has been paid by the Modaraba to the Directors and Key Management Personnel of Modaraba Management Company.

24.2 The Modaraba carries out transactions with related parties at commercial terms and conditions as per the Modaraba's policy

25 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	2 0 2 5			2 0 2 4		
	Chief Executive	Executives	Total	Chief Executive	Executives	Total
	-----Rupees-----			-----Rupees-----		
Baisc Salary	-	2,894,544	2,894,544	-	2,894,544	99,356,748
Allowances and other benefits	-	1,465,454	1,465,454	-	625,454	625,454
Total	-	4,359,998	4,359,998	-	3,519,998	99,982,202
Number of persons	1	2	3	1	2	3

26 CAPITAL MANAGEMENT

The Board'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 Board of Directors of management company monitors the return on capital, which the Modaraba defines as profit after taxation divided by total Certificate holders' equity. The Board of Directors also monitors the level of dividend to Ordinary Certificate Holders.

The Modaraba manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. As at reporting date Modaraba has running musharaka facility, Certificate of Musharaka and has sufficient surplus funds to manage the affairs of the Modaraba effectively.

Consistently with others in the industry, the Modaraba monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. The Modaraba is not subject to externally exposed capital requirement. The gearing ratio of the Modaraba at year end is as follows:

	2025	2024
	-----Rupees-----	
Debt	-	-
Equity	353,377,679	410,733,778
Debt to equity ratio	Not geared	Not geared

27 FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

Financial risk management

The Modaraba's objective in managing risks is the creation and protection of Certificate holders' value. Risk is inherent in the Modaraba activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Modaraba's continuing profitability. The Modaraba is exposed to market risk (which includes profit rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

The Modaraba primarily invests in diversified portfolio of listed securities and unlisted REIT scheme. Such investments are subject to varying degrees of risk, which emanate from various factors that include but are not limited to:

- Credit risk
- Liquidity risk
- Market risk

27.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Modaraba's performance to developments affecting a particular industry.

Credit risk of the Modaraba arises principally from the long term deposits, long term investments, short term investments and deposits with banks and financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Exposure to credit risk

The maximum exposure to credit risk at the reporting date is as follows:

Long term investment	555,980,342	480,130,937
Short term investment	490,113	394,252
Long term deposit	58,500	58,500
Other receivables	8,578	400,417
Bank balances	2,819,632	129,421
	559,357,164	481,113,527

Credit risk rating

Credit risk rating of the banks and their respective balances are given below:

Bank	Rating		Note	2025	2024
	Short term	Long term	Agency	-----Rupees-----	
Al-Baraka (Pakistan) Limited	A-1	A+	JCR-VIS	1,336,337	89,941
Bank Al-Habib Limited	A-1+	AAA	PACRA	1,459,225	20,841
Habib Bank Limited	A-1+	AAA	JCR-VIS	13,865	8,434
National Bank of Pakistan	A-1+	AAA	JCR-VIS	10,205	10,205
				2,819,632	129,421

27.2 Liquidity risk

Liquidity risk is the risk that the Modaraba will not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

A range of tools is used for the management of liquidity. These comprises commitments and under writings guidelines, key balance sheet ratios and medium-term funding requirements. Moreover, day-to-day monitoring of future cash flows takes place and suitable levels of liquid reserves are maintained by the business.

2025				
	Upto one year	One year to five years	Over five years	Total
	-----Rupees-----			
Financial assets				
Long term investments	-	555,980,342	-	555,980,342
Long term deposit	-	58,500	-	58,500
Short term investments	490,113	-	-	490,113
Advance and deposit	404,000	-	-	404,000
Other receivables	8,578	-	-	8,578
Cash and bank balances	2,993,562	-	-	2,993,562
(a)	3,896,253	556,038,842	-	559,531,094
Financial liabilities				
Liability against right of use assets	20,033,677	-	-	20,033,677
Accrued expenses	4,879,582	-	-	4,879,582
Security deposits	-	2,730,000	-	2,730,000
Unclaimed dividend	39,541,077	-	-	39,541,077
(b)	64,454,336	2,730,000	-	67,184,336
(a-b)	(60,558,084)	553,308,842	-	492,346,758

2024				
	Upto one year	One year to five years	Over five years	Total
	-----Rupees-----			
Financial assets				
Long term investments	-	480,130,937	-	480,130,937
Long term deposit	-	58,500	-	58,500
Short term investments	394,252	-	-	394,252
Other receivables	400,417	-	-	400,417
Cash and bank balances	1,609,357	-	-	1,609,357
(a)	2,404,026	480,189,437	-	482,593,463
Financial liabilities				
Liability against right of use assets	4,052,655	5,418,884	-	9,471,539
Accrued expenses	2,521,467	-	-	2,521,467
Security Deposit	-	2,280,000	-	2,280,000
Unclaimed dividend	8,054,502	-	-	8,054,502
Unpaid dividend	54,269,514	-	-	54,269,514
(b)	68,898,138	7,698,884	-	76,597,022
(a-b)	(66,494,112)	472,490,553	-	405,996,441

27.3 Market risk

Market price risk

The risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Exposure

The Modaraba is exposed to changes in the fair values of investments as a result of changes in prices of securities.

As at June 30, 2025, the fair value of equity securities exposed to price risk was as follows:

Particulars	Cost 2025	Fair value 2025	Cost 2024	Fair value 2024
	-----Rupees-----			
Shares of listed Companies	166,584	540,454	166,584	423,189

Management of market risks

The management modaraba manages market risk by monitoring exposure on securities by following the internal risk management policies and investment guidelines approved by the board of directors of the management modaraba.

27.4 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of the reporting date the Company held balance in saving account amounting to PKR 13,865 (2024: 8,434) at variable rates which are not materially exposed to significant interest rate risk.

28 FINANCIAL INSTRUMENTS BY CATEGORY

	2025	2024
	-----Rupees-----	
At amortised cost		
Cash and bank balances	2,993,562	1,609,357
Advance and deposit	404,000	63,345,000
Other receivables	8,578	400,417
Long term deposit	58,500	58,500
At fair value through other comprehensive income		
Investments	556,470,454	480,525,189
(a)	<u>559,935,094</u>	<u>545,938,463</u>
Financial liabilities		
At amortised cost		
Accrued and other liabilities	4,879,582	2,521,467
Security deposits	2,730,000	2,280,000
Unclaimed dividend	39,541,077	8,054,502
Unpaid dividend	-	54,269,514
(b)	<u>47,150,659</u>	<u>67,125,483</u>
(a-b)	<u>512,784,435</u>	<u>478,812,980</u>

Fair value sensitivity analysis for fixed rate instruments

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

29 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

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

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Modaraba determine fair values using valuation techniques unless the fair value cannot be reliably measured.

For assets that are recognised in the financial statements at fair value on a recurring basis, the Modaraba recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes had occurred. There were no transfers between different levels of fair values mentioned above.

The table below shows the carrying amounts and fair values of a financial assets and financial liabilities including their fair value hierarchy for financial instruments measured at fair value. It does not include the fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

	June 30, 2025						
	Carrying amount			Fair value			
	At fair value through OCI	At amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets	Rupees						
Cash and bank balances	-	2,993,562	2,993,562	-	-	-	-
Advance and deposit	-	404,000	404,000	-	-	-	-
Other receivables	-	8,578	8,578	-	-	-	-
Long term deposit	-	58,500	58,500	-	-	-	-
Investments	556,470,454	-	556,470,454	540,454	555,930,000	-	556,470,454
	<u>556,470,454</u>	<u>3,464,640</u>	<u>559,935,094</u>	<u>540,454</u>	<u>555,930,000</u>	<u>-</u>	<u>556,470,454</u>
Financial liabilities							
Accrued and other liabilities	-	4,879,582	4,879,582	-	-	-	-
Security deposits	-	2,730,000	2,730,000	-	-	-	-
Unclaimed dividend	-	39,541,077	39,541,077	-	-	-	-
Unpaid dividend	-	-	-	-	-	-	-
	<u>-</u>	<u>47,150,659</u>	<u>47,150,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The carrying value of financial instruments reflected in the financial statements approximate their fair values.

	June 30, 2024						
	Carrying amount			Fair value			
	At fair value through OCI	At amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets	Rupees						
Cash and bank balances	-	1,609,357	1,609,357	-	-	-	-
Advance and deposit	-	63,345,000	63,345,000	-	-	-	-
Other receivables	-	400,417	400,417	-	-	-	-
Long term deposit	-	58,500	58,500	-	-	-	-
Investments	480,525,189	-	480,525,189	423,189	480,102,000	-	480,525,189
	<u>480,525,189</u>	<u>65,413,274</u>	<u>545,938,463</u>	<u>423,189</u>	<u>480,102,000</u>	<u>-</u>	<u>480,525,189</u>
Financial liabilities							
Accrued and other liabilities	-	2,521,467	2,521,467	-	-	-	-
Security deposits	-	2,280,000	2,280,000	-	-	-	-
Unclaimed dividend	-	8,054,502	8,054,502	-	-	-	-
Unpaid dividend	-	54,269,514	54,269,514	-	-	-	-
	<u>-</u>	<u>67,125,483</u>	<u>67,125,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

30 SEGMENT REPORTING

As per IFRS 08-Operating segments are reported in the manner consistent with the internal reporting used by the chief operating decision maker. The chief executive officer of the management company has been identified as the chief operating decision maker, who is responsible for allocating the resources and assessing the performance of the operating segments.

The Chief Executive Officer is responsible for the Modaraba's entire operations and considers the business to have a single operating segment. The modaraba's asset allocation decisions are based on a single integrated educational institutional strategy, and the Modaraba's performance is evaluated on an overall basis.

The internal reporting provided to the Chief Executive Officer for the Modaraba's assets, liabilities, and performance is consistent with the measurement and recognition principles of the approved accounting standards as applicable in Pakistan.

The Modaraba is domiciled in Pakistan. All of the Modaraba's income is from investments in entities incorporated in Pakistan. All non current assets of the Modaraba are located in Pakistan as at the reporting date.

The Modaraba does not depend upon a single student, and there is no single student from whom the Modaraba is generating more than 10% of total revenue.

31 NUMBER OF EMPLOYEES

	2 0 2 5	2 0 2 4
	-----Number-----	
Number of employees as at June 30	5	6
Average number of employees during the year	6	5

32 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, where ever necessary for the purpose of comparison, the effect of which is not material.

33 GENERAL

Figures have been rounded off to the nearest rupees.

34 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 6, 2025 by the Board of Directors of the Modaraba Management Company.

For A.R.T. Modaraba Management (Private) Limited (Management Company)

Chief Executive Officer

Director

Director

Chief Financial Officer

**Pattern of Shareholding
As At June 30, 2025**

Number of Shareholders	Shareholding		Shares Held	Percentage
	From	To		
541	1	100	27,829	0.13
701	101	500	204,332	0.97
567	501	1,000	410,820	1.94
645	1,001	5,000	1,345,700	6.36
88	5,001	10,000	606,939	2.87
25	10,001	15,000	306,953	1.45
12	15,001	20,000	206,818	0.98
4	20,001	25,000	90,569	0.43
6	25,001	30,000	171,413	0.81
2	30,001	35,000	68,233	0.32
2	35,001	40,000	75,500	0.36
1	45,001	50,000	46,780	0.22
1	50,001	55,000	53,625	0.25
1	60,001	65,000	63,246	0.30
1	65,001	70,000	68,654	0.32
1	85,001	90,000	87,000	0.41
2	95,001	100,000	197,660	0.93
1	130,001	135,000	133,291	0.63
1	195,001	200,000	198,621	0.94
1	215,001	220,000	216,000	1.02
1	540,001	545,000	543,500	2.57
1	670,001	675,000	670,067	3.17
1	700,001	705,000	701,000	3.31
1	830,001	835,000	832,440	3.93
1	1,420,001	1,425,000	1,422,000	6.72
1	2,525,001	2,530,000	2,526,120	11.94
1	4,400,001	4,405,000	4,401,902	20.80
1	5,485,001	5,490,000	5,486,092	25.92
2,611			21,163,104	100.00

**CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2025**

Categories of Shareholders	No. of Shares Held	Percentage
Directors, Chief Executive Officer and their Spouse(s) and Minor Children	4,945,402	23.37
Associated Companies, Undertakings and Related Parties	5,319,187	25.13
NIT and ICP	59,721	0.28
Banks, Development Financial Institutions, Non Banking Financial Institutions	22,577	0.11
Modarabas and Mutual Funds	180,335	0.85
Joint Stock Companies	23,218	0.11
General Public (Local)	10,340,132	48.86
Other Companies	272,157	1.29
	21,163,104	100.00