



**FIRST
ELITE
CAPITAL
MODARABA**

*Annual Report
Two Thousand Twenty Six*

Managed by
**CRESCENT MODARABA MANAGEMENT
COMPANY LIMITED**



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FIRST ELITE CAPITAL MODARABA

VISION STATEMENT

To develop into a leading small venture Islamic Financial Institution that will actively participate in the management of projects in addition to the conventional mode of Modaraba activities.

MISSION STATEMENT

Engage in activities that will maximize return on investment through Shariah mode of financing for Certificate holders of the Modaraba.



FIRST ELITE CAPITAL MODARABA

CORPORATE INFORMATION

BOARD OF DIRECTORS OF MODARABA MANAGEMENT COMPANY

Mr. Muneeb Ahmed Dar	Chairman
Mr. Aamir Iftikhar Khan	Chief Executive
Mr. Ghazanfar Farrokh	Director
Mr. Ghulam Rasool	Director
Mr. Muhammad Javed Amin	Director
Mrs. Shahana Javed Amin	Director
Sheikh Muhammad Ali Asif	Director

AUDIT COMMITTEE

Sheikh Muhammad Ali Asif	Chairman
Mr. Ghazanfar Farrokh	Member
Mr. Muneeb Ahmed Dar	Member

CFO & COMPANY SECRETARY

Mr. Muhammad Arif Hilal

LEGAL ADVISOR

International Legal Services

SHARIAH ADVISOR

Mufti Muhammad Umar



FIRST ELITE CAPITAL MODARABA

AUDITORS OF THE MODARABA

Ilyas Saeed & Co.
Chartered Accountants

HR & R COMMITTEE

Mr. Ghulam Rasool	Chairman
Mr. Aamir Iftikhar Khan	Member
Mr. Ghazanfar Farrokh	Member

BANKERS OF THE MODARABA

Bank Alfalah Limited
Meezan Bank Limited

PRINCIPAL & REGISTERED OFFICE

182-A, Garden Block, New Garden Town, Lahore - Pakistan
Tel: 042-35442735 - 36
E-mail: info@fecm.com.pk
Web: www.fecm.com.pk

SHARE REGISTRAR

CorpTec Associates (Pvt.) Limited
503-E, Johar Town, Lahore.
Tel: 042-35170336-7
Fax: 042-35170338
E-mail: info@corptec.com.pk



FIRST ELITE CAPITAL MODARABA

CHAIRMAN'S REVIEW REPORT

Dear Modaraba Certificate Holders,

As required under the code of corporate Governance, an annual evaluation of the Board of Directors of Crescent Modaraba Management Company Limited Manager of First Elite Capital Modaraba has been carried out. The objective of this evaluation is to measure the Board's overall performance and effectiveness.

For the Financial year ended June 30, 2026, the Board's overall performance and effectiveness have been assessed as satisfactory. Improvements are an ongoing process leading to an action plan.

The Board of Directors received agendas and supporting papers in a timely manner for its meeting and decisions. All directors fully participated in and made contributions to the decision making process of the Board. The Board has in place policies for all relevant areas of the company's operations.

I would like to thank all the Board members for the cooperation and support.

On behalf of the Board, I take this opportunity to thank Registrar of Modaraba, Securities and Exchange Commission of Pakistan and other relevant regulatory bodies for their continued guidance and support.

Muneeb Ahmed Dar
Chairman

September 25, 2026



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DIRECTORS' REPORT TO THE CERTIFICATE HOLDERS

Valued Certificate Holders

The Board of Directors of **Crescent Modaraba Management Company Limited**, Management Company of **First Elite Capital Modaraba**, is pleased to present the 35th Annual Audited Financial Statements of the Modaraba for the year ended June 30, 2026.

Financial Results

Financial results for the year ended June 30, 2026 are summarized as follows:

	June 30, 2026 Rupees	June 30, 2025 Rupees
Total Income	46,790,186	52,319,980
Depreciation of Assets Leased Out	31,275,115	26,388,228
Administrative & General Expenses	20,250,797	19,169,846
Financial Charges	14,861	16,147
Fair Value Loss on Investments at FVTPL	651,222	-
Other Operating Loss	541,112	202,814
Management Fee	-	654,295
Taxation and levy	1,083,370	1,193,216
Profit/(Loss) after Taxation	7,026,291	4,695,434
Earnings/(Loss) per certificate-basic and diluted	(0.62)	0.41

Profit Distribution

Keeping in view the loss incurred during the year, the Board of Directors of the Management Company does not recommend any distribution/dividend for the year ended June 30, 2026.

The Board remains committed to strengthening the Modaraba's financial position and improving the performance of its underlying investment and financing portfolio.

Review of Operations

During the year under review, the Modaraba generated total income of Rs.46.79 (M) as compared to Rs.52.32 (M) in the preceding year. The major sources of income included income from Ijarah financing, Murabahah financing, Musharakah financing, return on investments and other income.

The total expenses for the year amounted to Rs.20.25 (M), compared with Rs.19.17 (M) in the previous year. Consequently, the Modaraba incurred a loss before levy and taxation of Rs.5.94 (M).

After accounting for the levy and taxation of Rs.1.08 (M), the Modaraba incurred a net loss of Rs.7.03 (M) for the year ended June 30, 2026, as compared to a profit of Rs.4.69 (M) earned during the preceding year.

The loss per certificate for the year stood at Re.0.62, compared to earnings, per certificate of Re.0.41 in the previous year.

Statement of Financial Position

Despite the loss incurred during the year, the overall financial position of the Modaraba remained stable. The total assets of the Modaraba increased to Rs.236.36 (M) as at June 30, 2026, compared to Rs.232.35 (M) as at June 30, 2025.



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The net assets of the Modaraba stood at Rs.136.82 (M) as at June 30, 2026, compared with Rs.136.69 (M) in the preceding year. Total liabilities amounted to Rs.99.54 (M), compared with Rs.95.65 as at June 30, 2025.

The certificate holders' funds remained broadly stable during the year, reflecting the underlying strength of the Modaraba's asset base.

Economy and Future Outlook

The economic environment continues to present both opportunities and challenges for the financial sector. Factors including the overall business environment, financing conditions, inflation, interest rates and investment market performance continue to influence the operations of financial institutions and Modarabas.

The Management Company will continue to focus on improving the quality and performance of the Modaraba's financing and investment portfolio. Particular emphasis will be placed on efficient deployment of available funds, prudent risk management, recovery and monitoring of financing facilities, cost control and identifying opportunities capable of generating sustainable returns.

Corporate and Financial Reporting Framework

- The Financial statements, prepared by the management of the Modaraba, present fairly its true state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Modaraba have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International financial reporting standards, as applicable to Modaraba in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Modaraba's ability to continue as a going concern.
- The Directors, CEO, CFO, Company Secretary and their spouses and minor children do not hold any interest in the certificates of Modaraba, other than that disclosed in the pattern of certificate holding.
- During the year under review four meetings of the Board of Directors were held. Attendance by each Director is as follows:-

Name of Director		Number of Meetings Attended
I.	Mr. Muneeb Ahmed Dar	04
II.	Mr. Aamir Iftikhar Khan	04
III.	Mr. Ghazanfar Farrokh	04
IV.	Mr. Ghulam Rasool	04
V.	Mr. Muhammad Javed Amin	04
VI.	Mrs. Shahana Javed Amin	04
VII.	Sheikh Muhammad Ali Asif	04

During the year under review four meetings of the Audit Committee were held. Attendance by each member is as follows:-

Name of Member		Number of Meetings Attended
I.	Sheikh Muhammad Ali Asif	04
II.	Mr. Ghazanfar Farrokh	04
III.	Mr. Muneeb Ahmed Dar	04



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During the year under review one meeting of the Human Resource and Remuneration Committee was held. Mr. Ghulam Rasool, Chairman Mr. Aamir Iftikhar Khan, Member and Mr. Ghazanfar Farrokh, Member attended the meeting.

Pattern of Certificate Holding

A statement reflecting the pattern of holding of the certificates as on June 30, 2026 is annexed to this Report.

Key Operating & Financial Data

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

The Board of Directors

The total number of directors are 7 as per the following

- a) Male: 6
- b) Female: 1

The composition of board is as follows:

<u>Name</u>	<u>Category</u>
Mr. Muneeb Ahmed Dar	Non-Executive Director
Mr. Aamir Iftikhar Khan	Executive Director
Mr. Ghazanfar Farrokh	Non-Executive Director
Mr. Ghulam Rasool	Independent Director
Mr. Muhammad Javed Amin	Non-Executive Director
Mrs. Shahana Javed Amin	Non-Executive Director
Sheikh Muhammad Ali Asif	Independent Director

Director's Remuneration

Through the Articles of the company, the Board of Directors is authorized to fix remuneration of Non-Executive and independent Directors from time to time. In this regard the board of Directors has developed a Remuneration Policy for Non-Executive and Independent Directors of the Company.

Auditors

The board has approved the appointment of M/s Ilyas Saeed & Co. Chartered Accountants for the year 2026-2027 subject to the approval of the Registrar of Modaraba Companies & Modarabas.

Acknowledgement

The Board thanks the regulatory authorities for their continuous guidance and co-operation and places on record its appreciation of the services rendered by the staff members for their hard work, dedication and commitment in discharge of their responsibilities in a difficult situation.

On behalf of the Board

AAMIR IFTIKHAR KHAN
CHIEF EXECUTIVE

MUNEEB AHMED DAR
CHAIRMAN

Date: September 25, 2026



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پٹرن آف سرٹیفکیٹ ہولڈنگ:- (Pattern of Certificate Holding)

سرٹیفکیٹ ہولڈنگ کی ترتیب جو کہ 30 جون 2026ء کے مطابق ہے اس رپورٹ کے ساتھ منسلک ہے۔

کلیدی آپریٹنگ اور فنانشل ڈیٹا:- (Key Operating and Financial Data)

گزشتہ چھ سال کا کلیدی مالیاتی خلاصہ سالانہ رپورٹ کے ساتھ منسلک ہے۔

بورڈ آف ڈائریکٹرز:- (The Board of Directors)

مندرجہ ذیل ڈائریکٹرز کی کل تعداد سات ہے۔

6	:	مرد
1	:	عورت

بورڈ کی تشکیل مندرجہ ذیل ہے۔

نام	کے بی سی
محترم منیب احمد ڈار	نان ایگزیکٹو ڈائریکٹر
محترم عامر افتخار خان	ایگزیکٹو ڈائریکٹر
محترم غضنفر فرخ	نان ایگزیکٹو ڈائریکٹر
محترم غلام رسول	انڈپنڈنٹ ممبر ڈائریکٹر
محترم محمد جاوید امین	نان ایگزیکٹو ڈائریکٹر
محترمہ شہبازہ جاوید امین	نان ایگزیکٹو ڈائریکٹر
شیخ محمد علی آصف	انڈپنڈنٹ ممبر ڈائریکٹر

ڈائریکٹرز کا مشاہرہ:- (Directors' Remuneration)

کمپنی کے آرٹیکل کے تحت، بورڈ آف ڈائریکٹرز کو اختیار حاصل ہے کہ وہ وقتاً فوقتاً نان ایگزیکٹو اور انڈپنڈنٹ ممبر ڈائریکٹرز کا مشاہرہ طے کرے۔ اس سلسلے میں بورڈ آف ڈائریکٹرز نے نان ایگزیکٹو اور انڈپنڈنٹ ممبر ڈائریکٹرز کیلئے مشاہرہ پالیسی تیار کی ہے۔

آڈیٹرز:- (Auditors)

بورڈ نے سال 2026-2027 کے لیے میسرز الیاس سعید اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری کی منظوری دی ہے جو مضامین کمپنیز اینڈ مضاربہ کے رجسٹرار کی منظوری سے مشروط ہے۔

اعتراف:- (Acknowledgement)

بورڈ رگولیشنری حکام کی جانب سے مسلسل رہنمائی اور تعاون کا شکریہ ادا کرتا ہے اور عملے کی جانب سے پیش کی گئی خدمات اور مشکل صورت حال میں پوری ذمہ داری، لگن اور عزم و ہمت کے ساتھ کام کرنے پر ان کو خراج تحسین پیش کرتا ہے۔

ادعویٰ بورڈ آف ڈائریکٹرز:-

منیب احمد ڈار

چیئر مین

عامر افتخار خان

چیف ایگزیکٹو

25 ستمبر 2026ء



FIRST ELITE CAPITAL MODARABA

معیشیت اور مستقبل کا نقطہ نظر:- (Economy & Future Outlook)

معاشی صورتحال مالیاتی شعبے کے لیے بدستور مواقع اور چیلنجز دونوں پیش کر رہی ہے۔ مجموعی کاروباری ماحول، فنانسنگ کی صورتحال، افراط زر، شرح سود اور سرمایہ کاری کی منڈی کی کارکردگی جیسے عوامل مالیاتی اداروں اور مضاربہ جات کی سرگرمیوں پر مسلسل اثر انداز ہو رہے ہیں۔ مینجمنٹ کمپنی مضاربہ کے فنانسنگ اور سرمایہ کاری کے پورٹ فولیو کے معیار اور کارکردگی کو بہتر بنانے پر اپنی توجہ برقرار رکھے گی۔ دستیاب فنڈز کے مؤثر استعمال، جتنا رسک مینجمنٹ، فنانسنگ سہولیات کی وصولی اور نگرانی، اخراجات پر مؤثر کنٹرول، اور ایسے مواقع کی نشاندہی پر خصوصی توجہ دی جائے گی جو پائیدار منافع کے حصول میں معاون ثابت ہو سکیں۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:- (Corporate & Financial Reporting Frame Work)

- مضاربہ کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، اسکے تمام امور، آپریشنز کے نتائج، نقدی کا بہاؤ اور ایکٹیوٹی میں تبدیلی کو مضامین طور پر پیش کیا گیا ہے۔
- مضاربہ کی اکاؤنٹس بکس کو باقاعدہ طور پر برقرار رکھا گیا ہے۔
- مالیاتی جائزوں اور اکاؤنٹنگ اندازوں کی تیاری میں مناسب اور دانشمندانہ فیصلے پر مبنی پالیسیوں کو مسلسل لاگو کیا گیا ہے۔
- مالیاتی گوشواروں کی تیاری میں بین الاقوامی رپورٹنگ کے معیار، جو کہ پاکستان میں مضاربہ پر لاگو ہیں، کی پیروی کی گئی ہے، اور تمام اخراجات کا مناسب طور پر انکشاف اور اسکی وضاحت کی گئی ہے۔
- اندرونی کنٹرول کا نظام اپنی ساخت میں انتہائی مضبوط ہے اور اس پر مؤثر طریقے سے عمل درآمد اور نگرانی کی جاتی ہے۔
- آئندہ بھی ایک کامیاب کاروبار کے طور پر جاری رہنے کیلئے مضاربہ کی اہلیت میں کوئی نمایاں تبدیلی نہیں ہے۔
- ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور انکے شوہر/بیوی اور انکے چھوٹے بچے مضاربہ شریکیٹ میں کوئی دلچسپی نہیں رکھتے، ماسوائے اسکے جن کا انکشاف پیرن آف سرٹیفیکیٹ ہولڈنگ میں موجود ہے۔
- زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے (4) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

اجلاس میں شرکت کی تعداد

ڈائریکٹر کا نام

04

محترم منیب احمد ڈار

04

محترم عامر افتخار خان

04

محترم غنیمت فرخ

04

محترم غلام رسول

04

محترم محمد جاوید امین

04

محترمہ شہبازہ جاوید امین

04

شیخ محمد علی آصف

- زیر جائزہ سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر ممبر کی حاضری درج ذیل ہے:-

اجلاس میں شرکت کی تعداد

ممبر کا نام

04

شیخ محمد علی آصف

04

محترم غنیمت فرخ

04

محترم منیب احمد ڈار

- زیر جائزہ سال کے دوران انسانی وسائل اور مشاہرہ (HR&R) کمیٹی کا ایک اجلاس منعقد ہوا جس میں محترم غلام رسول (چیئرمین)، محترم غنیمت فرخ (ممبر)، اور محترم عامر افتخار خان (ممبر) نے شرکت کی۔



FIRST ELITE CAPITAL MODARABA

ڈائریکٹرز رپورٹ برائے سرٹیفکیٹ ہولڈرز

معزز سرٹیفکیٹ ہولڈرز:

فرسٹ ایلٹ کیپیٹل مضاربہ رپورٹ انتظام کریڈنٹ مضاربہ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز، مضاربہ کے 30 جون 2026ء کو ختم ہونے والے مالی سال کے سالانہ پیٹنٹس (35th) آڈٹ شدہ اکاؤنٹس پیش کرتے ہیں۔

مالیاتی نتائج:- (Financial Results)

30 جون 2026ء کو ختم ہونے والے سال کے مختصر مالیاتی نتائج درج ذیل ہیں۔

30 جون 2025ء (روپے)	30 جون 2026ء (روپے)	
52,319,980	46,790,186	مضاربہ کی کل آمدن
26,388,228	31,275,115	لیزڈ آؤٹ اثاثوں کی فرسودگی
19,169,846	20,250,797	انتظامی و عمومی اخراجات
16,147	14,861	مالی اخراجات (فنانس چارجز)
-	651,222	سرمایہ کاری پر منصفانہ قدر نقصان (FVTPL)
202,814	541,112	دیگر آپریٹنگ خسارہ
654,295	-	مضاربہ کمپنی کی انتظامی فیس
1,193,216	1,083,370	ٹیکسیشن اور لیوی
4,695,434	7,026,291	منافع/(خسارہ) بعد از ٹیکسیشن
0.41	(0.62)	آمدنی/(خسارہ) فی سرٹیفکیٹ - بنیادی اور تحلیل شدہ

منافع کی تقسیم: (Profit Distribution)

سال کے دوران ہونے والے نقصان کو مد نظر رکھتے ہوئے، مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2026ء کو اختتام پذیر ہونے والے سال کے لیے کسی بھی قسم کی تقسیم/منافع (Dividend) کی سفارش نہیں کی۔

بورڈ، مضاربہ کی مالی حیثیت کو مستحکم کرنے اور اس کے بنیادی سرمایہ کاری اور مالیاتی پورٹ فولیو کی کارکردگی کو بہتر بنانے کے لیے پُر عزم ہے۔

آپریٹنگ کا جائزہ: (Review of Operations)

زیر جائزہ سال کے دوران، مضاربہ نے مجموعی آمدنی 46.79 ملین روپے حاصل کی، جبکہ گزشتہ سال یہ آمدنی 52.32 ملین روپے تھی۔ آمدنی کے اہم ذرائع میں اجارہ فنانسنگ، مرابحہ فنانسنگ، مشارک فنانسنگ، سرمایہ کاری سے حاصل ہونے والی آمدنی اور دیگر آمدنی شامل تھی۔ سال کے دوران مضاربہ کے کل اخراجات 20.25 ملین روپے رہے، جبکہ گزشتہ سال یہ اخراجات 19.17 ملین روپے تھے۔ نتیجتاً، مضاربہ کی لیوی اور ٹیکسیشن سے قبل 5.94 ملین روپے کا نقصان ہوا۔

1.08 ملین روپے کی لیوی اور ٹیکسیشن کو مد نظر رکھنے کے بعد، 30 جون 2026ء کو اختتام پذیر ہونے والے سال کے لیے مضاربہ کو

7.03 ملین روپے کا خالص نقصان ہوا، جبکہ گزشتہ سال 4.69 ملین روپے کا منافع حاصل ہوا تھا۔

زیر جائزہ سال کے دوران فی سرٹیفکیٹ نقصان 0.62 روپے رہا، جبکہ گزشتہ سال فی سرٹیفکیٹ آمدنی 0.41 روپے تھی۔

مالیاتی حیثیت کا بیان:- (Statement of Financial Position)

سال کے دوران ہونے والے نقصان کے باوجود، مضاربہ کی مجموعی مالیاتی حیثیت مستحکم رہی۔ مضاربہ کے کل اثاثہ جات 30 جون

2026ء کو بڑھ کر 236.36 ملین روپے ہو گئے، جبکہ 30 جون 2025ء کو یہ 232.35 ملین روپے تھے۔

30 جون 2026ء کو مضاربہ کے خالص اثاثہ جات 136.82 ملین روپے رہے، جبکہ گزشتہ سال یہ 136.69 ملین روپے تھے۔ کل

واجبات 99.54 ملین روپے رہے، جبکہ 30 جون 2025ء کو یہ 95.65 ملین روپے تھے۔

سال کے دوران سرٹیفکیٹ ہولڈرز کے فنڈز مجموعی طور پر مستحکم رہے، جو مضاربہ کے اثاثہ جاتی ڈھانچے کی بنیادی مضبوطی کی عکاسی کرتے ہیں۔



FIRST ELITE CAPITAL MODARABA

INDEPENDENT AUDITOR'S REPORT TO THE CERTIFICATE HOLDERS OF FIRST ELITE CAPITAL MODARABA REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of First Elite Capital Modaraba (the Modaraba), which comprise the statement of financial position as at 30 June 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at 30 June 2026 and of the loss 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 Crescent Modaraba Management Company Limited (the Modaraba Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following is the Key audit matter:

Key audit matter	How the matter was addressed in our audit
1) Income recognition from financing arrangements	
(Refer notes 3.6, 27, 28 and 29 to the financial statements) The Modaraba has earned financing income of Rs. 43.114 million for the year ended 30 June 2026 from its Islamic financing portfolio comprising, ijarah, murabahah and musharakah arrangements, as reported under "Income" in the statement of profit or loss and disclosed in the notes referred to above. Income from these financing arrangements is recognised over the tenure of the respective contracts based on agreed profit rates and contractual repayment schedules. We considered income recognition to be a key audit matter because income is one of the key performance indicators of the Modaraba and there is an inherent risk of material misstatement in its recognition.	Our audit procedures to address this matter included the following: ● Obtained an understanding of the Modaraba's income recognition process for all financing products and evaluated the design and implementation of relevant internal controls. ● Assessed the appropriateness of the Modaraba's accounting policy for recording revenue and whether it was in line with the requirements of applicable law, accounting and reporting standards. ● Selected and tested samples from each financing arrangement, including, ijarah and murabaha and musharakah, by agreeing recorded income to the underlying financing agreements and repayment schedules.



FIRST ELITE CAPITAL MODARABA

Key audit matter	How the matter was addressed in our audit
	● Verified, on a sample basis, rentals received from customers against the relevant schedules and records. ● Performed cut-off procedures to ensure that income was recorded in the appropriate accounting period. ● Recalculated income recognized on selected contracts based on the agreed profit rates and tenure. ● Evaluated whether the unearned portion of income, where applicable, had been appropriately deferred at the reporting date. ● Reviewed the adequacy of related disclosures in the financial statements in accordance with the applicable accounting and reporting standards in Pakistan.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements,



FIRST ELITE CAPITAL MODARABA

whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Modaraba's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Modaraba Company;
- Conclude on the appropriateness of management of the Modaraba Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Modaraba's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Modaraba to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Modaraba Company in respect of 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, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and are in agreement with the books of account;
- (c) business conducted, investments made, expenditure incurred and guarantees extended during the year by the Modaraba were in accordance with the objects, terms and conditions of the Modaraba; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Bushra Sana.

Ilyas Saeed & Co.
Chartered Accountants
Lahore

Dated: September 25, 2026

UDIN: AR202610278RbwvxMG5T



FIRST ELITE CAPITAL MODARABA

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
ASSETS			
CURRENT ASSETS			
Short term investments	4	9,918,235	15,897,985
Short term investments in Mutual Funds	5	4,975,613	9,655,248
Short term finances under musharakah arrangements - Secured	6	-	-
Short term finances under murabahah arrangements - Secured	7	16,403	16,403
Ijarah rentals receivable - Secured	8	1,047,549	461,454
Profit receivable - Secured	9	-	-
Advances, deposits, prepayments and other receivables	10	4,403,307	12,520,801
Biological Assets	11	-	711,112
Advance income tax	12	-	75,280
Cash and bank balances	13	23,519,160	8,268,717
		43,880,267	47,607,000
NON-CURRENT ASSETS			
Assets leased out under ijarah contracts	14	122,169,130	113,689,017
Property and equipment	15	4,499,169	5,500,561
Investment property	16	65,816,000	65,550,000
Deferred tax asset	17	-	-
		192,484,299	184,739,578
		236,364,566	232,346,578
TOTAL ASSETS			
LIABILITIES			
CURRENT LIABILITIES			
Accrued and other liabilities	18	2,898,685	6,675,391
Security deposits	19	16,988,395	12,426,229
Unclaimed profit distribution	20	8,369,007	8,376,835
Provision for taxation	12	812,484	-
		29,068,571	27,478,455
NON-CURRENT LIABILITIES			
Security deposits	19	58,162,210	55,547,572
Deferred tax liability	17	1,002,834	1,253,542
Employees retirement benefits	21	11,309,414	11,375,300
		70,474,458	68,176,414
		99,543,029	95,654,869
TOTAL LIABILITIES			
NET ASSETS			
		136,821,537	136,691,709
Contingencies and commitments	22	-	-
REPRESENTED BY			
Authorized certificate capital 20,000,000 (2025: 20,000,000) modaraba certificates of Rs. 10 each		200,000,000	200,000,000
Issued, subscribed and paid-up certificate capital	23	113,400,000	113,400,000
Statutory Reserves	24	32,870,088	32,870,088
Unappropriated losses		(10,246,255)	(8,366,300)
		136,023,833	137,903,788
Revaluation Surplus - net of deferred tax	25	2,455,213	3,069,017
Unrealized gain / (loss) on revaluation of Investment - FVOCI	26	(1,657,509)	(4,281,096)
		136,821,537	136,691,709

The annexed notes 1 to 50 form an integral part of these financial statements.

**For Crescent Modaraba Management Company Limited
(Management Company of First Elite Capital Modaraba)**

Chairman

Chief Executive

Director

Chief Financial Officer



FIRST ELITE CAPITAL MODARABA

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

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
INCOME			
Income from ijarah financing	27	41,992,151	37,151,262
Income from murabahah financing	28	198,736	17,236
Income from musharakah financing	29	923,610	-
Return on investments	30	2,195,145	3,197,479
Reversal of provision for doubtful receivables		529,747	304,140
Fair value gain on investment properties	16	266,000	11,100,000
Fair value gain on biological Assets	11	-	236,312
Other income	31	684,797	313,551
		46,790,186	52,319,980
EXPENSES			
Depreciation of assets leased out under ijarah contracts	14	(31,275,115)	(26,388,228)
Administrative and general expenses	32	(20,250,797)	(19,169,846)
Financial charges	33	(14,861)	(16,147)
Other Operating loss	34	(541,112)	(202,814)
Fair value gain / (loss) on investments at FVTPL	4.1	(651,222)	-
		(52,733,107)	(45,777,035)
PROFIT / (LOSS) BEFORE MANAGEMENT COMPANY'S FEE		(5,942,921)	6,542,945
Management fee	35	-	(654,295)
PROFIT / (LOSS) BEFORE LEVY AND TAXATION		(5,942,921)	5,888,650
Levy	36	(1,334,078)	(1,193,216)
PROFIT / (LOSS) BEFORE TAXATION		(7,276,999)	4,695,434
Taxation	36	250,708	-
PROFIT / (LOSS) FOR THE YEAR		(7,026,291)	4,695,434
EARNINGS / (LOSS) PER CERTIFICATE - BASIC AND DILUTED	37	(0.62)	0.41

The annexed notes 1 to 50 form an integral part of these financial statements.

**For Crescent Modaraba Management Company Limited
(Management Company of First Elite Capital Modaraba)**

Chairman

Chief Executive

Director

Chief Financial Officer



FIRST ELITE CAPITAL MODARABA

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

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
PROFIT/(LOSS) FOR THE YEAR		(7,026,291)	4,695,434
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan	21.3	885,770	1,878,443
Changes in fair value of short term investment	26	2,623,587	2,929,918
Revaluation Surplus on Vehicles - Net of deferred tax	25	-	3,069,017
		3,509,357	7,877,378
Total comprehensive income/(loss) for the year		(3,516,934)	12,572,812

The annexed notes 1 to 50 form an integral part of these financial statements.

For Crescent Modaraba Management Company Limited
(Management Company of First Elite Capital Modaraba)

Chairman

Chief Executive

Director

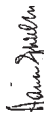
Chief Financial Officer

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

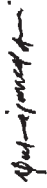
Balance as at June 30, 2024
 Comprehensive income for the year :
 Profit / (loss) for the year
 Other comprehensive income / (loss)
 Total comprehensive income / (loss) for the year
 Gain on sale of investment - FVOCI
Balance as at June 30, 2025
Comprehensive income for the year :
Profit / (loss) for the year
Other comprehensive income / (loss)
Total comprehensive income / (loss) for the year
Gain on sale of investment - FVOCI
Transfer of Incremental Depreciation-Net of Tax
Balance as at June 30, 2026

The annexed notes 1 to 50 form an integral part of these financial statements.


 Chairman


 Chief Executive

**For Crescent Modaraba Management Company Limited
 (Management Company of First Elite Capital Modaraba)**


 Director


 Chief Financial Officer



FIRST ELITE CAPITAL MODARABA

	Reserves			
	Capital Reserves		Revenue Reserves	
	Paid-up Certificate Capital Rupees	Statutory reserve Rupees	Unappropriated losses Rupees	Total Reserves Rupees
113,400,000	113,400,000	32,870,088	(17,028,743)	15,841,345
-	-	-	4,695,434	4,695,434
-	-	-	1,878,443	1,878,443
-	-	-	6,573,877	6,573,877
-	-	-	2,088,566	2,088,566
113,400,000	113,400,000	32,870,088	(8,366,300)	24,503,788
-	-	-	(7,026,291)	(7,026,291)
-	-	-	885,770	885,770
-	-	-	(6,140,521)	(6,140,521)
-	-	-	3,646,762	3,646,762
-	-	-	613,804	613,804
113,400,000	113,400,000	32,870,088	(10,246,255)	22,623,833
				136,023,833

4,695,434
1,878,443
6,573,877
2,088,566
137,903,788

(7,026,291)
885,770
(6,140,521)
3,646,762
613,804
136,023,833



FIRST ELITE CAPITAL MODARABA

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

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Cash Generated From Operations	38	37,401,002	29,718,480
Receipts/(payments) for:			
Income taxes		(446,314)	(850,817)
Purchase of Ijarah assets		(71,126,936)	(64,898,700)
Transfer of Ijarah assets		31,811,182	22,826,380
Purchase of investments		(23,796,389)	(62,539,906)
Proceeds from sale of investments		41,048,732	77,114,974
Dividend received		1,221,314	3,197,479
Staff retirement benefits paid		(978,320)	(1,820,000)
Profit distribution		(7,828)	(80,350)
		(22,274,559)	(27,050,940)
Net cash (used in) / generated from operating activities		15,126,443	2,667,540
Cash Flows From Investing Activities			
Sale Proceed of property and equipment		-	2,500
Purchase of property and equipment		(46,000)	(30,000)
Net (purchase)/proceeds from biological assets		170,000	(474,800)
Net cash (used in) / generated from investing activities		124,000	(502,300)
Cash Flows From Financing Activities		-	-
Net Increase / (Decrease) In Cash And Cash Equivalents		15,250,443	2,165,240
Cash And Cash Equivalents At The Beginning Of The Year		8,268,717	6,103,477
Cash And Cash Equivalents At The End Of The Year	39	23,519,160	8,268,717

The annexed notes 1 to 50 form an integral part of these financial statements.

For Crescent Modaraba Management Company Limited
(Management Company of First Elite Capital Modaraba)

Chairman

Chief Executive

Director

Chief Financial Officer



FIRST ELITE CAPITAL MODARABA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1 STATUS AND NATURE OF THE BUSINESS

First Elite Capital Modaraba ("the Modaraba") is a perpetual, multi-purpose and multi-dimensional modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under and is managed by Crescent Modaraba Management Company Limited ("the Management Company"), a company incorporated in Pakistan under the Companies Act, 2017, vide Registration No. L 01630 dated 30th May, 1989. The registered office of the Modaraba is situated at 182-A, Garden Block, New Garden Town, Lahore. The Modaraba was floated on September 26, 1991 and is listed on Pakistan Stock Exchange Limited. The Modaraba is primarily engaged in the business of ijarah, musharakah and murabahah financing, investment in marketable securities, trading of stock and other related businesses.

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 as applicable in Pakistan comprises of:

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

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

Under the above IFAS 2, the 'Ijarah' transactions are accounted for in the following manner:

- Mustajir (lessor) presents the assets subject to Ijarah in their balance sheet according to the nature of the asset, distinguished from the assets in own use.
- costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognized as expenses.
- Ijarah income is recognized in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments at fair value/amortized cost and employees retirement benefits at present value. In these financial statements, except for the cash flow statement, all transactions have been accounted for on accrual basis.

2.3 Significant accounting estimates, judgements, and changes therein

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

2.3.1 Recoverable amount and impairment

The Modaraba assesses its assets for possible impairment, estimating recoverable amounts when necessary. Investments in marketable securities are evaluated for impairment based on active market prices, with allowances made for permanent diminutions in value. Musharakah, Murabahah, and Ijarah finances, along with related receivables, are tested for impairment considering the borrowers' credit history, adequacy of security, and compliance with Prudential Regulations for Modarabas.

2.3.2 Depreciation method, rates and useful lives of property and equipment

The Modaraba reassesses useful lives, depreciation method and rates for each item of property and equipment annually by considering expected pattern of economic benefits that the Modaraba expects to derive from that item.



FIRST ELITE CAPITAL MODARABA

2.3.3 Obligation under defined benefit plan

The Modaraba's obligation under the defined benefit plan is based on assumptions of future outcomes, the principal ones being in respect of increases in remuneration, remaining working lives of employees and discount rates to be used to determine present value of defined benefit obligation.

2.3.4 Provisions

Provisions, other than allowances for impairment, are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Modaraba would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

2.4 Functional currency

These financial statements are prepared in Pakistan Rupee which is the Modaraba's functional currency.

2.5 Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current year

The following standards, amendments, and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either irrelevant to the Company's operations or are not expected to significantly impact the Company's financial statements other than certain additional disclosures.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 21 The Effects of changes in Foreign Exchange Rates (Amendments)	January 01, 2025

2.6 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the company.

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 7 Amendments to lack of exchangeability	01 January 2026
Amendments to IFRS 7 and 9 - Classification and Measurement of Financial Instruments	01 January 2026
IFRS 10 Consolidated Financial Statements (Amendments)	01 January 2026
IAS 21 The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	01 January 2027
IAS 28 Investments in Associates and Joint Ventures (Amendments)	01 January 2027
IFRS 17 Insurance Contract	01 January 2027
IFRS 18 Presentation and Disclosures in Financial Statements.	01 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027
Other than the aforesaid amendments, the 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 20 Regulatory Assets and Regulatory Liabilities	
IFRIC 12 Service Concession Arrangement	

The management believes that adoption of the new standards, amendments and interpretations, which are in issue but not yet effective, is not likely to have any material impact, on the recognition, measurement, presentation and disclosure of items in the financial statements for current and future periods and foreseeable future transactions.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Property and equipment

These comprise operating fixed assets of the Modaraba.

Operating fixed assets, other than vehicles which are measured using the revaluation model, are measured at cost less accumulated depreciation and accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes,



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after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

Depreciation is charged to statement of profit or loss using reducing balance method at the rates specified in Note 15 to the financial statements. The Company starts charging depreciation on additions to property and equipment from the date it is available for intended use till the date of disposal of property and equipment. Assets residual values, useful lives and depreciation rates are reviewed, and adjusted, if appropriate at each reporting date.

Major renewals and improvements to operating fixed assets are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Modaraba and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of operating fixed assets are recognized in profit or loss as incurred.

Gain or loss on disposal of assets, if any, is recognized as and when incurred.

Revaluation

During the year ended 30 June 2025, the Company revalued its vehicles for the first time. The resulting surplus has been recognized in Other Comprehensive Income and presented within equity as Revaluation Surplus on Property and Equipment. In future, incremental depreciation relating to this surplus, net of deferred tax, will be transferred to unappropriated profit in equity.

Depreciation is charged from the date, an asset is available for use using rates specified in note 15 to the financial statements.

An operating fixed asset is de-recognized when permanently retired from use. Any gain or loss on disposal of operating fixed assets is recognized in profit or loss.

3.2 Assets leased out under ijarah contracts

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

3.2.2 Cost of Ijarah assets include net purchasing price incurred by the Modaraba.

3.3 Intangible assets

Intangible assets having a definite useful life, if any, are stated at cost less accumulated amortization and impairment.

Amortization, where applicable, is charged to the statement of profit and loss and other comprehensive income applying the straight line method, whereby the cost of an asset is written off over its estimated useful life. In respect of additions and disposals during the year, amortization is charged proportionately for the period of use.

3.4 Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

3.5 Biological Assets

Biological assets are measured at fair value less costs to sell at each reporting date. Changes in fair value are recognized in the statement of profit or loss in the period in which they arise. Fair value is determined based on observable market prices where available, or using valuation techniques where active markets are not present.

3.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.6.1 Financial assets

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

Financial assets are classified into three categories:

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit and loss

a) Financial assets at amortized cost

Classification

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

The Modaraba measures its cash and bank balances, short-term finances under Musharakah and Murabahah arrangements, Ijarah rentals receivable, and advances, deposits,



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prepayments and other receivables at amortized cost.

Initial recognition and measurement

All financial assets are recognized at the time when the Modaraba becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade-date - the date on which the Modaraba commits to purchase or sell the asset. The Modaraba initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs.

The Modaraba initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs.

Subsequent measurement

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

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

Reclassification

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

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

In case of reclassification out of the amortised cost measurement category to the fair value through other comprehensive income measurement category, the financial asset is measured at fair value at the reclassification date. Any difference between the previous amortised cost and the fair value is recognized in other comprehensive income. The effective interest rate and expected credit loss measurement remain unchanged.

Derecognition

Financial assets are derecognized when:

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

Upon disposal of a financial asset measured at amortised cost, the difference between the sale proceeds and the carrying amount of the asset is recognised in profit or loss. No amount is transferred directly to equity, as all gains and losses are reflected in profit or loss.

Impairment

The Modaraba recognizes impairment at each reporting date for outstanding Ijarah, Musharakah and Murabahah receivables on the basis of the Prudential Regulations issued for Modarabas by the Securities and Exchange Commission of Pakistan (SECP) and subjective evaluation as per IFRS 9.

For other financial assets, the Modaraba recognizes a loss allowance for expected credit losses (ECL) on financial assets measured at amortized cost. The Modaraba measures, at each reporting date, the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Where the credit risk on a financial instrument has not increased significantly since initial recognition, the Modaraba measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Modaraba recognizes the amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, in the profit and loss.

In evaluating the adequacy of expected credit losses, the management considers various factors, including the nature and characteristics of the obligor, current economic conditions, credit concentrations or deterioration in collateral, historical loss experience and delinquencies. The Modaraba Regulations, 2021 specify criteria for classification and provisioning of impaired assets. While recognizing provisions for impaired assets, the Modaraba considers the amount which is higher of (on a customer basis):

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

The Modaraba directly reduces the gross carrying amount of a financial asset when it has no



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reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

b) Financial assets at fair value through other comprehensive income

Classification

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

The Modaraba has classified and measured its short-term investments in listed securities, held as at the beginning of the year, at fair value through other comprehensive income.

Initial Recognition and Measurement

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

The Modaraba initially measures a financial asset classified as FVOCI at its fair value plus transaction costs directly attributable to the acquisition of the asset.

Subsequent Measurement

Financial assets at fair value through other comprehensive income are marked to market using the closing market rates and are carried in the statement of financial position at fair value.

Net gains and losses arising on changes in fair values of these financial assets are recognized in other comprehensive income. Interest calculated using the effective interest rate method is credited to the profit and loss. Dividends on equity instruments are credited to the profit and loss when the Modaraba's right to receive payments is established.

Reclassification

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

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

Reclassification of the FVOCI category is applicable only to debt instruments; equity instruments designated at FVOCI are not subject to reclassification.

Derecognition

Equity instrument

Upon disposal of an equity instrument designated at FVOCI, the cumulative gain or loss previously recognised in the FVOCI reserve is transferred directly to retained earnings as a reclassification within equity. No amount is reclassified to profit or loss at the point of disposal.

The difference between the sale proceeds and the carrying amount of the investment is also recognised directly in retained earnings. For partial disposals, the carrying amount and the related portion of the FVOCI reserve are allocated on a pro-rata basis.

Debt instruments

Upon disposal of a debt instrument measured at FVOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified ("recycled") from equity to profit or loss as a reclassification adjustment. The difference between the sale proceeds and the carrying amount of the asset is thus reflected in profit or loss.

Impairment

For other financial assets, the Modaraba recognizes a loss allowance for expected credit losses on a financial asset measured at fair value through other comprehensive income. In case of financial assets measured at fair value through other comprehensive income, loss allowance is recognized in other comprehensive income and carrying amount of the financial asset in the statement of financial position is reduced.

c) Financial assets at fair value through profit and loss

Classification

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Modaraba can make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit and loss to present subsequent changes in fair value in other comprehensive income unless these are held for trading in which case these have to be measured at fair value through profit or loss.



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The Modaraba has classified and measured its investments in mutual funds, and its investments in listed securities acquired during the year, at fair value through profit or loss (FVTPL), with all gains and losses recognised in the statement of profit or loss.

Initial Recognition and Measurement

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

The Modaraba initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs.

Subsequent Measurement

Financial assets at fair value through profit and loss are marked to market using the closing market rates and are carried in the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit and loss in the period in which these arise.

Fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Modaraba measures the investments at cost less impairment in value, if any.

Reclassification

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

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

Derecognition

Financial assets measured at FVTPL are carried at fair value both initially and subsequently, with all changes in fair value recognised in profit or loss. Upon disposal, the difference between the sale proceeds and the carrying amount of the asset is recognised in profit or loss. No amounts are accumulated in equity or transferred to retained earnings.

If the Modaraba transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract.

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

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

If the Modaraba's continuing involvement is in only a part of a financial asset, the Modaraba allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer.

Impairment

The Modaraba recognizes the impairment at each reporting date for outstanding Ijarah, Musharakah and Murabahah receivables on the basis of Prudential Regulations issued for Modarabas by the Securities and Exchange Commission of Pakistan (SECP) and subjective evaluation as per IFRS 9.

Financial assets at FVTPL are carried at fair value both initially and subsequently, with all changes in fair value recognised in profit or loss. Upon disposal, the difference between the sale proceeds and the carrying amount of the asset is recognised in profit or loss. No amounts are accumulated in equity or transferred to retained earnings.

3.6.2 Financial liabilities

All financial liabilities are recognized at the time when the Modaraba becomes a party to the contractual provisions of the instrument. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expired.

Financial liabilities are classified into the following categories

- Financial liabilities at amortized cost
- Financial liabilities at fair value through profit or loss

a) Financial liabilities at amortized cost

Classification

All financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost except for financial liabilities at fair value through profit and loss, financial liabilities that



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arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

Initial Recognition and Measurement

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit and loss.

Subsequent Measurement

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

Reclassification

The Modaraba does not reclassify any of its financial liabilities.

Derecognition

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

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

Impairment

Impairment requirements are not applicable to financial liabilities.

b) Financial liabilities at fair value through profit and loss

Classification

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

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

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

Initial Recognition and Measurement

Financial liabilities carried at fair value through profit and loss are initially recognized at fair value and transaction costs are recognized in the profit and loss.

Subsequent Measurement

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

Reclassification

The Modaraba does not reclassify any of its financial liabilities.

Derecognition

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

If the Modaraba repurchases a part of a financial liability, the Modaraba allocates the previous carrying amount of the financial liability between the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts on the date of the repurchase. The difference between the carrying amount allocated to the



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part derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, for the part derecognized is recognized in profit and loss.

Impairment

Impairment requirements are not applicable to financial liabilities.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flow, cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts.

3.8 Employees retirement benefits

3.8.1 The Modaraba recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

3.8.2 Post employment benefits

The Modaraba operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. The amount recognized on balance sheet represents the present value of defined benefit obligation. Actuarial gains or loss are recognized immediately in other comprehensive income as required by IAS-19 Employee Benefits. The details of the scheme are referred to in note 21 to the financial statements.

3.9 Certificate capital

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

Statutory reserve

Statutory reserve represents profit set aside to comply with the Prudential Regulations for Modarabas issued by the SECP vide S.R.O. 284(I)/2021 dated March 05, 2021. These Regulations require Modaraba which is not compliant with minimum equity requirements as provided in the regulations, shall create reserve fund to which shall credit an amount equivalent to 100% of its annual after-tax profit till such time the minimum equity requirements are complied with. During the year, the Modaraba incurred a loss after tax, therefore no amount was transferred to the statutory reserve.

3.10 Provisions and contingencies

Provisions are recognized when the Modaraba has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

3.11 Profit distribution to certificate holders

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

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at banks. Cash and cash equivalents are carried at cost.

3.13 Revenue and other income

Income is recognized to the extent it is probable that the economic benefits associated with a transaction will flow to the Modaraba and the amount of income can be measured reliably, on the following bases:

Income from ijarah financing

Ijarah rentals are recognized on an accrual basis over the term of the lease, as and when the rental becomes due, in accordance with IFAS. Gains on disposal of assets under ijarah are recognized in profit or loss on disposal.

Income from murabahah financing

Profit on murabahah financing is recognized on a time-proportion basis over the term of the arrangement, reflecting the effective profit rate on the outstanding financing, in accordance with IFAS.

Income from musharakah financing

Profit on musharakah financing is recognized on a time-proportion basis over the term of the arrangement, reflecting the effective profit rate on the outstanding financing.

Return on investments

Dividend income is recognized when the Modaraba's right to receive payment is established. Gains and losses on sale of investments carried at fair value through profit or loss are recognized in profit or loss on the date the transaction is executed (trade date), being the



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date the Modaraba assumes or extinguishes substantially all the risks and rewards of ownership.

Other income

Return on bank deposits is recognized on a time-proportion basis as and when accrued. Gains on financial instruments carried at fair value through profit or loss represent unrealized fair value movements and are recognized in profit or loss at each reporting date. Gains on disposal of property and equipment are recognized when the right to receive them is established or on completion of the underlying transaction, as applicable.

3.14 Taxation and levy

a) Income tax

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

Current taxation

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

Deferred taxation

Deferred tax is accounted for using the balance sheet approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

b) Levy

A levy is an outflow of resources embodying economic benefits imposed by the government that does not meet the definition of income tax provided in the International Accounting Standard (IAS) 12 'Income Taxes' because it is not based on taxable profit.

In these financial statements, levy includes minimum tax under section 113 or other sections of Income tax ordinance, Income tax under final tax regime, workers' welfare fund expense and workers' profit participation. The corresponding effect of levy other than worker's welfare fund expense and workers' profit participation, advance tax paid has been netted off and the net position is shown in the statement of financial position.

3.15 Earnings per certificate (EPC)

Basic EPC is calculated by dividing the profit or loss attributable to certificate holders of the Modaraba by the weighted average number of certificates outstanding during the period.

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

3.16 Comprehensive income

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

3.17 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include holding company, associated companies with or without common directors, directors and major shareholders and their close family members, key management personnel and staff and retirement benefit funds.

3.18 Segment reporting

Segment reporting is based on the operating (business) segments of the Modaraba. An operating segment is a component of the Modaraba that engages in business activities from which it may earn revenue and incur expenses. An operating segment's operating results are



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reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The business segments are engaged in providing products or services which are subject to risk and rewards which differ from the risk and rewards of other segments. Segments reported are income from ijarah financing and return on investments.

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
4 SHORT TERM INVESTMENTS			
At fair value through profit or loss	4.1	6,166,940	-
At fair value through other comprehensive income	4.2	3,751,295	15,897,985
		<u>9,918,235</u>	<u>15,897,985</u>
4.1 Investment in shares of listed companies - FVTPL			
Cost of investment		6,818,162	-
Accumulated Impairment		-	-
Fair value adjustment		(651,222)	-
		<u>6,166,940</u>	<u>-</u>

4.1.1 These represent investments in listed equity securities, which have been classified and measured at Fair Value Through Profit & Loss (FVTPL) in accordance with IFRS 9.

4.1.2 Equity investments - Fair value through profit or loss

Particulars of Investments	No. of shares / certificates		Average Cost		Fair Value	
	2026	2025	2026	2025	2026	2025
			Rupees		Rupees	
Power Generation & Distribution						
The Hub Power Company Ltd	7,000	-	1,658,010	-	1,634,150	-
Commercial Banks						
Bank Islami Pakistan Limited	17,000	-	682,876	-	459,170	-
Faysal Bank Limited	6,000	-	595,212	-	595,440	-
Oil & Gas Exploration Companies						
Mari Energies Limited	3,000	-	2,095,190	-	2,022,870	-
Automobile Assembler						
Honda Atlas Cars Pakistan Limited	3,000	-	897,300	-	721,110	-
Modarabas						
First Equity Modaraba	5,000	-	72,326	-	55,100	-
Food and personal care products						
Big Bird Foods Limited	10,000	-	545,185	-	460,300	-
The Organic Meat Company Limited	5,000	-	272,063	-	218,800	-
TOTAL	56,000	-	6,818,162	-	6,166,940	-

	June 30, 2026 Rupees	June 30, 2025 Rupees
4.2 Investment in shares of listed companies - FVTOCI		
Cost	8,596,491	23,350,048
Accumulated changes in fair value (trading suspended)	(3,187,687)	(3,170,967)
Accumulated changes in fair value (others)	(1,657,509)	(4,281,096)
	<u>3,751,295</u>	<u>15,897,985</u>

4.2.1 These represent investments in listed equity securities, which have been classified and measured at fair value through other comprehensive income (FVOCI) in accordance with IFRS 9.



4.2.2 Equity investments - Fair value through other comprehensive income **Particulars of Investments**

Cements

Attock Cement Pakistan Limited
Fauji Cement Company Limited
Maple Leaf Cement Factory Limited

Textile Composite

Sunrise Textiles Limited

Technology & Communication

Netsol Technologies Limited
Pakistan Telecommunication Company Limited

Cable and Electrical Goods

Pak Electron Limited
Waves Corporation Limited

Pharmaceuticals

The Searl Company Limited.
Citi Pharma Limited

Oil & Gas marketing Co.

Sui Northern Gas Pipelines Limited
Pakistan State Oil Company Limited
Pakistan Petroleum Limited
Oil and Gas Development Company Limited

Investment Banks/Co.

Engro Holding Limited
Javed Omer Vohra & Company Limited
Awwal Corporate Restructuring Co. Limited

Refinery

National Refinery Limited
Pakistan Refinery Limited

Engineering

Crescent Steel & Allied Products Limited

Chemical

Ghani Global Holding Company Limited

TOTAL

4.2.2.1 Shares of Javed Omer Vohra & Company Limited are in CDC Freeze Account.



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No. Of Shares/ Certificates		Average Cost		Fair Value	
June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		Rupees		Rupees	
2,500	2,500	808,420	808,420	541,925	731,500
-	7,500	-	361,354	-	335,025
-	3,000	-	258,789	-	252,840
153,900	153,900	2,023,076	2,023,076	-	-
-	9,000	-	1,370,472	-	1,196,640
-	102,500	-	4,384,526	-	2,607,600
35,000	35,000	2,587,209	2,587,209	1,590,750	1,433,600
-	8,000	-	102,813	-	62,720
8,000	5,000	974,869	463,816	756,320	438,500
8,000	4,000	785,869	400,339	622,960	335,880
1,000	5,500	123,936	682,770	120,930	641,905
-	2,000	-	760,425	-	755,060
-	14,000	-	2,791,261	-	2,382,380
-	7,500	-	1,719,695	-	1,654,200
-	5,000	-	1,105,245	-	912,800
8,800	8,800	1,164,611	1,164,611	-	16,720
1,140	1,140	11,846	11,846	11,400	11,400
-	3,500	-	1,039,831	-	851,760
3,000	3,000	116,655	116,655	107,010	101,790
-	5,500	-	636,981	-	635,965
-	30,000	-	559,914	-	539,700
221,340	416,340	8,596,491	23,350,048	3,751,295	15,897,985



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	Note	June 30, 2026 Rupees	June 30, 2025 Rupees		
5 SHORT TERM INVESTMENTS IN MUTUAL FUNDS					
Investment in mutual funds	5.1	4,975,613	9,655,248		
		4,975,613	9,655,248		
5.1					
Name of investment	2026	2025	NAV per unit	2026	2025
	No. of units		(Rs.)	-----Rupees-----	
Meezan Rozana Amdani Fund	99,512.25	193,104.96	50	4,975,613	9,655,248
Total				4,975,613	9,655,248

6 SHORT TERM FINANCES UNDER MUSHARAKAH ARRANGEMENTS - SECURED

Considered good	-	-
Considered doubtful	-	320,744
	-	320,744
Provision for doubtful receivables	6.1	(320,744)
	-	-

These represent investments made under musharakah arrangements on profit and loss sharing basis and are secured by specific charge over vehicle. The share of profit of Modaraba is 40% per annum.

6.1 Movement in provision for doubtful receivables is as follows:

As at beginning of the year	320,744	453,744
Recognized during the year	-	-
Amount received during the year	(320,744)	(133,000)
As at end of the year	-	320,744

7 SHORT TERM FINANCES UNDER MURABAHAH ARRANGEMENTS - SECURED

Considered good	16,403	16,403
Considered doubtful	54,760,736	54,838,093
	54,777,139	54,854,496
Provision for doubtful receivables	7.1	(54,760,736)
	16,403	16,403

These represent receivable against murabaha transactions on deferred payment basis at a specified margin. These are secured against mortgage of property, and personal guarantees. Profit margin on murabahah transactions ranges from 13% to 20% (2025: 13% to 20%) per annum receivable on monthly basis.

7.1 Movement in provision for doubtful receivables is as follows:

As at beginning of the year	54,838,093	55,009,233
Recognized during the year	-	-
Reversed during the year	(77,357)	(171,140)
	(77,357)	(171,140)
As at end of the year	54,760,736	54,838,093

7.1.1 The Modaraba has filed Three (2025: Three) execution petitions for claim of Rs. 25,868,727/- (2025: 25,868,727/-) against different parties in Modaraba Tribunal Punjab, Lahore. The management is aggressively pursuing its cases in the Court of law. The management company expects favourable decision(s).

7.1.2 The Modaraba has filed a claim for Rs. 22,063,889/- (2025: Rs. 22,063,889/-)



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against Sunrise Textiles Limited. The Modaraba has applied to the official liquidators, appointed by the honorable Lahore High Court in C.O.No. 10/1995 for recovery of its dues, however the company has been dissolved.

7.1.3 The Modaraba has filed Twenty Five (2025: Twenty Five) suits for recovery of receivables amounting to Rs. 26,475,820/- (2025: Rs.26,475,820/-) against different parties in Banking Court, Lahore. The management is hotly pursuing its cases in the Court of law. There are almost no chances of any unfavorable decision(s) against First Elite Capital Modaraba.

7.1.4 The Modaraba has filed One (2025: One) criminal complaint under section 20 of the Financial Institutions (Recovery of Finances) Ordinance, 2001. against party in Banking Court, Lahore.

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
8 IJARAH RENTALS RECEIVABLE - SECURED			
Considered good		1,047,549	461,454
Considered doubtful		6,644,601	6,644,601
		7,692,150	7,106,055
Provision for doubtful receivables	8.1	(6,644,601)	(6,644,601)
		1,047,549	461,454

These represent rentals receivable against assets leased out under Ijarah contracts. These are secured against vehicles registered in favor of Modaraba. The details are as follows:

8.1 Movement in provision for doubtful receivables is as follows:

As at beginning of the year	6,644,601	6,644,601
Recognized during the year	-	-
Reversed during the year	-	-
	-	-
As at end of the year	6,644,601	6,644,601

8.1.1 The Modaraba has filed Two (2025: Two) execution petitions for claim of Rs.6,686,020/- (2025: Rs.6,686,020/-) against two parties (Rana Muhammad Ibrahim Noon Rs: 6,476,404 and Atif Saleem Rs. 93,060) in Banking Court, Lahore. The learned Banking Court passed an ex-parte judgement and decree for a sum of Rs. 6,476,404/- in favour of FECM and against the defendants (Rana Muhammad Ibrahim Noon). The process of auction of the property of the judgment Debtor Rana Muhammad Ibrahim Noon is underway.

8.2 Future Ijarah rentals receivable		
Not later than one year	54,501,498	44,032,364
Later than one year but not later than five years	88,083,585	36,694,154
Later than five years	-	-
	142,585,083	80,726,518

9 PROFIT RECEIVABLE - SECURED

Considered good		-	-
Considered doubtful		20,547,558	21,669,904
		20,547,558	21,669,904
Provision for doubtful receivables	10.1	(20,547,558)	(21,669,904)
		-	-

This represents profit receivable on murabahah and musharikah finance.



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9.1 Movement in provision for doubtful receivables is as follows:

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
As at beginning of the year		21,669,904	21,687,140
Recognized during the year		-	-
Reversed during the year		(1,122,346)	(17,236)
		(1,122,346)	(17,236)
As at end of the year		20,547,558	21,669,904

10 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances to employees - unsecured but considered good			
against salaries		128,034	314,732
against retirement benefits		2,812,860	2,765,645
Advances to suppliers		-	7,839,875
Security deposits		40,450	40,450
Prepayments		1,421,963	1,559,209
Other receivables - unsecured			
Considered good		-	890
Considered doubtful		2,106,276	2,610,080
		2,106,276	2,610,970
Provision for doubtful receivables		(2,106,276)	(2,610,080)
		-	890
		4,403,307	12,520,801

11 BIOLOGICAL ASSETS

As at beginning of the year	711,112	-
Purchase during the year	-	2,611,400
Sale during the year	(118,700)	(2,136,600)
Fair value gain/(loss) during the year	(236,312)	236,312
Loss from death of calves	(356,100)	-
As at end of the year	-	711,112

12 ADVANCE INCOME TAX

Opening balance	75,280	417,679
Add : tax deducted / paid during the year	446,314	850,817
Less: Adjustment for Prior Year	-	-
Less: provision for levy and taxation	(1,334,078)	(1,193,216)
As at end of the year	(812,484)	75,280

13 CASH AND BANK BALANCES

Cash in hand	54,694	60,322
Cash at bank		
Current accounts	435,544	446,671
Saving / deposit accounts	23,028,922	7,761,724
	23,464,466	8,208,395
	23,519,160	8,268,717

13.1 Effective rate of return on deposit/saving accounts, for the year, ranges from 5.70% to 7.04% (2025: 7.00% to 8.00%).



14 ASSETS LEASED OUT UNDER IJARAH CONTRACTS

Year ended June 30, 2026

PARTICULARS	COST			DEPRECIATION				Carrying Value
	As at July 01, 2025	Additions	Disposals	As at June 30, 2026	As at July 01, 2025	For the year	Adjustment	As at June 30, 2026
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Vehicles	146,593,713	54,772,936	55,620,315	145,746,334	39,198,751	27,777,959	25,321,943	41,654,767
Machinery	9,264,200	16,354,000	2,000,000	23,618,200	2,970,145	3,497,156	926,664	5,540,637
	155,857,913	71,126,936	57,620,315	169,364,534	42,168,896	31,275,115	26,248,607	47,195,404
								122,169,130

Year ended June 30, 2025

PARTICULARS	COST			DEPRECIATION				Carrying Value
	As at July 01, 2024	Additions	Disposals	As at June 30, 2025	As at July 01, 2024	For the year	Adjustment	As at June 30, 2025
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Vehicles	127,986,813	62,173,900	43,567,000	146,593,713	37,051,358	23,832,229	21,684,836	39,198,751
Machinery	9,642,600	2,724,800	3,103,200	9,264,200	2,573,130	2,555,999	2,158,984	2,970,145
	137,629,413	64,898,700	46,670,200	155,857,913	39,624,488	26,388,228	23,843,820	42,168,896
								113,689,017



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15 PROPERTY AND EQUIPMENT

The following is a statement of operating fixed assets (tangible):

	Furniture and fixtures	Office equipment	Vehicles	Total
Net book value basis				
Year ended 30 June 2026				
Opening net book value	46,487	524,075	4,929,999	5,500,561
Additions	-	46,000	-	46,000
Disposals (note 15.3)				
Cost	-	-	-	-
Depreciation	-	-	-	-
Net book value	-	-	-	-
Depreciation charge for the year	(4,649)	(56,743)	(986,000)	(1,047,392)
Closing net book value	41,838	513,332	3,943,999	4,499,169
Gross book value basis				
At 30 June 2026				
Cost/revalued amount	271,815	2,382,160	4,927,999	7,581,974
Accumulated depreciation	(229,977)	(1,868,828)	(984,000)	(3,082,805)
Net book value	41,838	513,332	3,943,999	4,499,169
Annual rates of depreciation 2026	10%	10%	20%	
Net book value basis				
Year ended 30 June 2025				
Opening net book value	51,652	549,073	759,300	1,360,025
Additions	-	30,000	-	30,000
Revaluation surplus	-	-	4,322,559	4,322,559
Adjustment for surplus	-	-	(2,390,825)	(2,390,825)
Disposals (note 15.3)				
Cost	-	-	(2,000)	(2,000)
Depreciation	-	-	2,000	2,000
Net book value	-	-	-	-
Depreciation charge for the year	(5,165)	(54,998)	(151,860)	(212,023)
Elimination of accumulated depreciation on revaluation	-	-	2,390,825	2,390,825
Closing net book value	46,487	524,075	4,929,999	5,500,561



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	Furniture and fixtures	Office equipment	Vehicles	Total
At 30 June 2025				
Cost/revalued amount	271,815	2,336,160	4,927,999	7,535,974
Accumulated depreciation	(225,328)	(1,812,085)	2,000	(2,035,413)
Net book value in Rupees	46,487	524,075	4,929,999	5,500,561
Annual rates of depreciation 2025	10%	10%	20%	

15.1 The revaluation of vehicles was carried out by an independent PBA approved valuer Al-Wazzan Associates (Private) Limited on June 30, 2025. Had there been no revaluation, the cost, accumulated depreciation and written down value of the revalued assets would have been as follows:

Particulars	AS ON 30 JUNE 2026		
	Cost Depreciation	Accumulated Value	Written Down
Vehicle	2,996,265	2,510,313	485,952
Rupees 2026	2,996,265	2,510,313	485,952
Rupees 2025	2,996,265	2,388,825	607,440

15.2 Forced Sale Value as per revaluation report as at June 30, 2025:

Asset Class	Forced sale value
Vehicle	4,437,000
Total	4,437,000

15.3 There were no disposal of assets during the year whose aggregate net book value exceeded Rs. 5,000,000 and individual net book value exceeded Rs. 500,000.



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	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
16 INVESTMENT PROPERTY			
As at beginning of the year		65,550,000	54,450,000
Fair value gain/(loss) during the year		266,000	11,100,000
As at end of the year		<u>65,816,000</u>	<u>65,550,000</u>
16.1 As of June 30, 2026, the carrying amount of investment property was remeasured at fair value. The difference between the fair value and the previous carrying amount has been recognized in the statement of profit or loss.			
16.2 Investment property measuring 11 Marla's and 90 Sft is situated at Sardar Iqbal Road, Gulberg V, Lahore.			
16.3 The cost of the property was Rs. 23,533,287/-.			
16.4 The fair value of investment property is estimated by independent PBA approved valuer Al-Wazzan Associates (Private) Limited at Rs. 65,816,000/-.			
17 DEFERRED TAX ASSETS/(LIABILITY)			
Deferred tax assets / Liability		<u>(1,002,834)</u>	<u>(1,253,542)</u>
17.1 Breakup of deferred tax assets / (liability)			
Taxable temporary differences			
- Assets leased out under ijarah contracts		(2,222,550)	(5,679,682)
- Surplus on revaluation of vehicles		(1,002,834)	(1,253,542)
- Property Plant and Equipment		(1,057,042)	(108,734)
- Investment property		(12,261,987)	(12,184,847)
- Biological assets		-	(68,530)
		<u>(16,544,413)</u>	<u>(19,295,335)</u>
Deductible temporary differences			
- Short term investment		824,463	1,117,809
- Musharakah receivables		-	93,016
- Murabahah receivables		15,880,613	15,903,047
- Ijarah rentals receivable		1,926,934	1,926,934
- Profit receivables		5,958,792	6,284,272
- Advances, deposits, prepayments and other receivables		610,820	756,923
- Employees retirement benefits		3,279,730	3,298,837
- Minimum tax c/f		732,915	-
		<u>29,214,267</u>	<u>29,380,838</u>
Deferred tax net		12,669,854	10,085,503
Deferred tax asset not recognized		<u>(11,667,020)</u>	<u>(11,339,045)</u>
Deferred tax asset/(liability)		<u>(1,002,834)</u>	<u>(1,253,542)</u>
17.2 Deferred tax asset/(liability) has been recognized in these financial statements using tax rates applicable for tax year 2026. Net deferred tax asset has been recognized for all temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax asset amounting to Rs. 11.667 million (2025: Rs. 11.339 million) has not been recognized as management of the company do not expect to reverse these in foreseeable future.			
18 ACCRUED AND OTHER LIABILITIES			
Management fee payable		997,004	2,722,504
Accrued expenses		728,448	762,622
Advance ijarah rentals		146,899	2,119,845
Withholding tax payable		8,540	85,164
Charity payable		15,139	12,853
Other payables		1,002,655	972,403
		<u>2,898,685</u>	<u>6,675,391</u>



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	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
19 SECURITY DEPOSITS			
Security deposits under ijarah contracts	19.1	75,150,605	67,973,801
Current maturity presented under current liabilities		(16,988,395)	(12,426,229)
Non current liabilities		<u>58,162,210</u>	<u>55,547,572</u>
19.1 These are amounts received by Modaraba against Ijarah contracts, these are adjusted against the value of assets at the end of Ijarah contract.			
20 UNCLAIMED PROFIT DISTRIBUTION			
Unclaimed dividend		8,369,007	8,376,835
		<u>8,369,007</u>	<u>8,376,835</u>
21 EMPLOYEES RETIREMENT BENEFITS			
The amounts recognized on balance sheet are as follows:			
Present value of defined benefit obligation	21.1	<u>11,309,414</u>	<u>11,375,300</u>
21.1 Movement in present value of defined benefit obligation			
As at beginning of the year		11,375,300	12,694,292
Current service cost	21.2	519,083	464,504
Interest cost on defined benefit obligation	21.2	1,279,121	1,914,947
Benefit Paid		(978,320)	(1,820,000)
		<u>12,195,184</u>	<u>13,253,743</u>
Remeasurements:			
Actuarial (gains)/losses from changes in demographic assumptions		-	-
Actuarial (gains)/losses from changes in financial assumptions		7,235	(42,096)
Experience adjustments		(893,005)	(1,836,347)
	21.3	<u>(885,770)</u>	<u>(1,878,443)</u>
As at the end of the year		<u>11,309,414</u>	<u>11,375,300</u>
21.2 Expenses to be charged to P&L			
Current service cost		519,083	464,504
Interest cost on defined benefit obligation		1,279,121	1,914,947
		<u>1,798,204</u>	<u>2,379,451</u>
21.3 Remeasurements recognized in other comprehensive income			
Actuarial (gains) / losses from changes in demographic assumptions		-	-
Actuarial (gains) / losses from changes in financial assumptions		7,235	(42,096)
Experience adjustments		(893,005)	(1,836,347)
		<u>(885,770)</u>	<u>(1,878,443)</u>
21.4 Significant actuarial assumptions			
Discount rate used for interest cost charged in P&L		11.75%	16.25%
Discount rate used for year end obligation		12.50%	11.75%
Salary increase used for year end obligation			
Salary increase FY 2026		N/A	9.75%
Salary increase FY 2027		10.50%	9.75%
Salary increase FY 2028		10.50%	9.75%
Salary increase FY 2029		10.50%	9.75%
Salary increase FY 2030		10.50%	9.75%
Salary increase FY 2031		10.50%	9.75%
Salary increase FY 2032 onwards		10.50%	9.75%
Next salary is increased at		July 01, 2026	July 01, 2025



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Mortality rates	SLIC (2001 - 2005) Setback 1 Year	SLIC (2001 - 2005) Setback 1 Year
Withdrawal rates	Age-based (per Appendix) Age 60	Age-based (per appendix) Age 60
Retirement assumption		

21.5 Historical information

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
Historical information					
Benefit obligation in Rupees	11,309,414	11,375,300	12,694,292	11,291,679	10,669,018
Actuarial adjustment arising during the year %	0.99	0.90	1.12	1.06	1.15

21.6 Future expectation

The estimated expenses to be charged to P & L during the year ending June 30, 2026 amounts to Rs.1,798,204. The actual cost will be determined after valuation of the Fund as at June 30, 2027 when the actuarial gains and losses arising during the year ending June 30, 2026 are available.

21.7 Additional disclosure items

Year end sensitivity analysis (± 100 bps) on defined benefit obligation

	Rupees	Rupees
Discount rate + 100 bps	11,072,406	11,131,157
Discount rate - 100 bps	11,561,374	11,636,644
Salary increase + 100 bps	11,569,018	11,644,182
Salary increase - 100 bps	11,061,041	11,119,821
Average duration of the defined benefit obligation	2 years	2 years

21.8 Expected benefit payments for next years

	Rupees
Less than a year	5,733,373
Between 1-2 years	328,910
Between 2-3 years	347,167
Between 3-4 years	3,999,683
Between 4-5 years	241,509
Between 6-10 years	7,965,100
10 year onwards	1,673,054

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

22.1.1 Proceedings for Tax Year 2021 were initiated by the Deputy Commissioner Inland Revenue (the DCIR), AEOI Zone, Lahore vide notice bearing reference no. AEOI-LHR/RFI/147 dated 20-06-2022 under Section 182(1)(17) of the Ordinance wherein the DCIR intended to impose penalty for late filing of CRS (Common Reporting Standards) Return. The Modaraba through its AR (Authorized Representative) complied the said notice by stating that the CRS Return was filed within due date i.e. 31-03-2021. No further correspondence has been received from the tax department till date.

22.1.2 Proceedings for Tax Year 2020 were initiated by the Assistant Commissioner Inland Revenue (the ACIR), Unit-05, Range-II, Zone-IV, Corporate Tax Office, (CTO) Lahore vide notice bearing barcode no. 100000270352878 dated 04-02-2026 under Section 161(1A) of the Ordinance. We, as Authorized Representative (AR) of the Modaraba requested to extend the compliance date for two weeks vide our letter bearing no. IT/F-05/26/439 dated 30-04-2026. However, the ACIR without rejecting or curtailing the request for extension in time, proceed to pass ex-parte vide Order bearing barcode no. 100000276110105 dated 04-05-2026 and raised the tax demand of Rs. 1,574,313/- u/s 161 and Rs. 1,030,174/- u/s 205 of the Ordinance.

Being aggrieved from the above Order, the Modaraba preferred an appeal before the Commissioner Inland Revenue Appeals, Lahore (the CIR-A) through letter bearing reference no. Ref: IT/F-05/26/508 dated 25-05-2026. However, the case is pending for fixation till date.

22.1.3 Proceedings for Tax Year 2019 were initiated by the Assistant Commissioner Inland Revenue (the ACIR), Unit-05, Range-II, Zone-IV, Corporate Tax Office, (CTO) Lahore vide notice bearing barcode no. 100000225889236 dated 14-01-2025 under Section 161(1A) of the Ordinance. The Modaraba through its AR (Authorized Representative) duly complied the said notice through letter bearing reference no. Ref: IT/F-05/25/634 dated 21-06-2025. The



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ACIR without rebutting to the contentions made along with supporting data furnished concluded the proceedings and passed the Order bearing barcode no. 100000244823553 dated 28-06-2025 and raised tax demand of Rs. 1,977,909/- u/s 161 and Rs. 237,348/- u/s 205 of the Ordinance.

Being aggrieved from the above Order, the Modaraba preferred an appeal before the CIR-A vide letter bearing reference no. Ref: IT/F-05/25/770 dated 25-07-2025. However, the case is pending for fixation till date.

- 22.1.4** The DCIR, E & C, Unit-VII, Range II, Zone VI, CTO, Lahore issued notice u/s 161(1A) of the Ordinance for Tax Year 2018 bearing barcode no. 10000074325898 dated 08-06-2020. The Modaraba through its AR made compliance of the aforesaid notice by submitting various replies. Last reply in this regard was submitted on 10-06-2025. Later on, the DCIR Zone-IV, CTO on 14-06-2025 finalized the proceedings by passing Order bearing bar code no 100000198270296 u/s 161 (1A) and raised tax demand of Rs. 3,922,791/-.

The taxpayer through its AR preferred an appeal before CIR-A. The appeal was heard on 13-12-2025 and the CIR-A vide Order bearing barcode no. 100000223455883 dated 27-12-2025 deleted the impugned demand to the extent of Rs. 59,102/- and remanded the remaining points back to the DCIR with the directions to proceed afresh after providing reasonable opportunity of being heard to the Appellant.

Later on, the DCIR, Unit 07, Range -II, Zone-IV, CTO, Lahore initiated the remand back proceedings vide notice bearing barcode no.10000074325898 dated 06-01-2025. The Modaraba through its AR duly complied with the said notice through letter bearing reference no Ref: IT/F-05/25/638 dated 23-06-2025. No further correspondence has been received from the tax department till date.

- 22.1.5** Proceedings for Tax Year 2018 were initiated by the ACIR, E&C, Unit-07, Range-02, Zone-06, CTO, Lahore vide notice bearing barcode No. 100000059200918 dated 25-09-2019 under Section 182(2) of the Ordinance wherein the officer intended to impose penalty for late filing of CRS Return. The Modaraba through its AR complied the said notice by stating that the Return was filed within due date i.e. 31-05-2019. The Learned ACIR passed the Order bearing barcode No. 100000064637626 dated 29-11-2019 and imposed penalty of Rs. 1,230,000/-.

Aggrieved from the above Order, the Modaraba preferred appeal before the Commissioner Inland Revenue Appeals, Zone-VI, Lahore (the CIR-A) who after considering our arguments decided the case vide Order No. 237/A-VI dated 22-06-2020 and remanded the case back to ACIR with the directions to recalculate the default days.

Being aggrieved from the aforesaid Order, the Modaraba preferred second appeal before the Honorable Appellate Tribunal Inland Revenue (the ATIR). The main appeal was heard on 18-11-2025 and the ATIR after considering the arguments put forth decided the appeal in favour of the Modaraba vide Order bearing no. ITA No. 2571/LB/2020 dated 18-11-2025.

Subsequently, the DCIR, Enforcement-II, Range-IV, Unit-XV, CTO, Lahore, in compliance to the directions of the CIR-A, re-calculated the default days and passed Order bearing barcode No. 100000125588887 dated 10-06-2022 reducing the penalty to Rs. 712,500/-.

Feeling aggrieved, the Modaraba again preferred appeal before the CIR-A through letter bearing reference No IT/F-05/22/736 dated 01-07-2022. The main appeal was heard on 03-10-2022 and CIR-A after considering the arguments put forth decided the case in favour of the Modaraba vide the Order bearing barcode no. 100000133217775 dated 11-10-2022 by holding that CRS Return was filed within the due date, therefore no calculation of a default was necessary and ordered to delete the penalty imposed.

Subsequently, the Department filed an appeal before the ATIR through letter bearing reference no. Ref: 898 dated 22-11-2022. The main appeal was heard on 26-11-2025 and the ATIR decided the appeal in favour of the Modaraba vide Order bearing no. ITA No. 2845/LB/2018 dated 09-12-2025 by accepting the contention of the Modaraba.

- 22.1.6** Proceedings for Tax Year 2017 were initiated by the ACIR, Audit-III, Range-I, Unit-IV, CTO, Lahore vide notice bearing barcode No. 100000093113722 dated 03-03-2021 under Rule 44(4) of the Income Tax Rules, 2002. The Modaraba through its AR made compliance of the aforesaid notice by submitting reply bearing reference No. IT/F-05/21/282 dated 08-03-2021.

The DCIR, Audit-III, Unit-II, Range-I, CTO, Lahore issued notice under Section 161(1A) of the Ordinance 2001 bearing barcode no. 100000128628549 dated 17-08-2022. The Modaraba through its AR made partial compliance by submitting reply bearing reference no. IT/F-05/22/901 dated 26-08-2022 and seek adjournment of two weeks for provisioning of remaining data. The DCIR proceeded ex-parte without curtailing the extension already granted and preferred to pass the Order bearing barcode no. 100000129737546 dated 05-09-2022, raising tax demand of Rs 5,916,650/- u/s 161 and Rs. 4,023,322 u/s 205 of the Ordinance.

Being aggrieved from the said Order, the Modaraba preferred an appeal before the CIR-A through letter bearing reference no. IT/F-05/22/1021 dated 04-10-2022. The main appeal was heard on 13-03-2023 and the CIR-A vide Order bearing barcode no. 100000149555102 dated 10-04-2023 annulled the tax imposed under Salary, Travelling, Repair & Maintenance, Printing & Stationery, Insurance and Entertainment and remanded the case back to the DCIR with the directions to proceed afresh after providing reasonable opportunity of being heard to the Appellant.



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The DCIR, Unit 07, Range -II, Zone-IV, CTO, Lahore, issued remand back notice bearing reference no. 100000128628549 dated 09-01-2025. The Modaraba through its Authorized representative complied the aforesaid notice through its letter bearing reference no. Ref: IT/F-05/25/79 dated 27-01-2025. However, the DCIR without rebutting to the contentions made along with data furnished concluded the proceedings and passed the Order bearing barcode no. 100000244234587 dated 21-06-2025, by raising tax demand of Rs. 6,316,520/-.

Being aggrieved from the above Order, the Modaraba again preferred an appeal before the CIR-A through letter bearing reference no. Ref: IT/F-05/25/740 dated 18-07-2025. The main appeal was heard on 02-12-2025 and the CIR-A vide Order bearing barcode no. 100000269889884 dated 28-01-2026 annulled the tax imposed amounting to Rs. 6,316,520/- and remanded the case back to the DCIR with the directions to proceed afresh after providing reasonable opportunity of being heard to the Appellant. No further correspondence has been received from the tax department till date.

22.1.7 The Modaraba received notice for the Tax Year 2016 bearing reference no. 100000024618950 dated 18-10-2017 issued under Rule 44(4) of the Rules. The Modaraba through its AR made compliance of the aforesaid notice by submitting replies bearing reference no. IT/F-05/18/03 and IT/F-05/18/51 dated 05-01-18 and 19-01-18 respectively.

The DCIR, E & C, Unit-VII, Range II, Zone VI, CTO, Lahore issued notice u/s 161/205 of the Ordinance 2001 bearing barcode no.100000074325651 dated 08-06-2020. The Modaraba through its AR made compliance of the aforesaid notice by submitting various replies. Last reply in this regard was submitted on 16-02-2022.

The DCIR finalized the above proceedings by passing an Order bearing barcode no. 100000118409893 dated 21-02-2022, raising demand of Rs. 1,408,029/-. Being aggrieved from the said Order, the Modaraba preferred an appeal before the CIR-A vide its letter bearing reference no. IT/F-05/22/301 dated 21-03-2022.

The main appeal was heard on 19-10-2022 and the CIR-A vide Order bearing barcode no. 100000137853488 dated 16-12-2022 deleted the impugned demand to the extent of Rs. 156,113/- and remanded the case back to the DCIR with the directions to proceed afresh after providing reasonable opportunity of being heard to the Appellant.

Remand back proceedings for Tax Year 2016 were initiated by the DCIR, Unit 07, Range -II, Zone-IV, CTO, Lahore, vide notice bearing barcode no. 100000074325651 dated 09-01-2025. The Modaraba through its AR made partial compliance by submitting reply bearing reference no. Ref: IT/F-05/25/29 dated 16-01-2025. Later on, the DCIR without issuing any notice, proceeded ex-parte and passed the Order bearing barcode no. 100000244093174 dated 19-06-2025 raising tax demand of Rs 1,367,427/- u/s 161 and Rs. 410,228/- u/s 205 of the Ordinance.

Being aggrieved from the above order the Modaraba again preferred an appeal before the CIR-A vide its letter bearing reference no. Ref: IT/F-05/25/741 dated 18-07-2025. The main appeal was heard on 02-12-2025 and the CIR-A vide Order bearing barcode no. 100000269069241 dated 22-01-2026 annulled the tax imposed amounting to Rs. 1,777,655 and remanded the case back to the DCIR with the directions to proceed afresh after providing reasonable opportunity of being heard to the Appellant. No further correspondence has been received from the tax department till date.

22.1.8 Proceedings, under Section 161(1A) of the Ordinance for the Tax Year 2015 were initiated by the DCIR, Unit-VII, Range-II, Zone-VI, CTO, through its notice bearing barcode no. 100000024618839 dated 18-10-2017.

The Modaraba duly complied the notice by submitting all the relevant reconciliations along with documents through various replies. Last reply bearing reference No. IT/F-05/21/258 in this regard was submitted on 02-03-2021. Subsequently, the DCIR concluded the proceedings by passing Order bearing barcode No. 100000098602176 u/s 161/205 of the Ordinance dated 12-06-2021 raising an impugned demand of Rs. 2,538,710/-. Being aggrieved from the said Order, the Modaraba filed an appeal before CIR-A on 09-07-2021. The main appeal was heard on 03-10-2022 and the CIR-A vide Order bearing barcode no. 100000133217728 dated 11-10-2022 remanded the case back to the DCIR with the directions to proceed afresh after providing reasonable opportunity of being heard to the Appellant.

The DCIR, Unit 07, Range -II, Zone-IV, CTO, Lahore, issued Remand back notice bearing reference no. 100000080282692 dated 09-01-2025. The Modaraba through its Authorized representative duly compiled the notice by submitting all the relevant reconciliations along with documents through letter bearing reference no. Ref: IT/F-05/25/28 dated 16-01-2025. However, the DCIR without rebutting to the contentions made along with data furnished finalized the proceedings and passed the Order bearing barcode no. 100000244167298 dated 20-06-2025, by raising tax demand of Rs. 1,514,913/-.

Being aggrieved from the said Order, the Modaraba again preferred an appeal before the CIR-A through letter bearing reference no. Ref: IT/F-05/25/738 dated 18-07-2025. The main appeal was heard on 02-12-2025 and the CIR-A vide Order bearing barcode no. 100000268481584 dated 15-01-2026 confirmed the tax-imposed amounting to Rs. 1,514,913/-.

Being aggrieved from the said Order, the Modaraba preferred second appeal before the Honorable ATIR through letter bearing reference no. Ref: IT/F-05/25/53 dated 20-01-2026.



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The main appeal was heard on 02-04-2026 and the ATIR after considering the arguments put forth decided the appeal in favour of the Modaraba vide Appellate Order bearing no. ITA No. 285/LB/2026 dated 27-04-2026 and deleted the entire demand.

No provision has been made in these financial statements as management and legal advisor of the modaraba expects favourable outcome of the pending cases.

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
22.2 Commitments		-	-
23 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL			
Modaraba certificates of Rs. 10 each 10,000,000 (2025: 10,000,000) certificates issued for cash		100,000,000	100,000,000
1,340,000 (2025: 1,340,000) certificates issued as full paid bonus certificates		13,400,000	13,400,000
		113,400,000	113,400,000
24 OTHER RESERVES			
Statutory reserve	24.1	32,870,088	32,870,088
		32,870,088	32,870,088
24.1	Statutory reserves represent profits set aside in compliance with the requirements of prudential regulations for Modarabas issued by SECP.		
25 REVALUATION SURPLUS ON VEHICLES - NET OF DEFERRED TAX			
Revaluation surplus on vehicles	25.1	2,455,213	3,069,017
25.1 Opening Balance		4,322,559	-
Revaluation surplus during the year		-	4,322,559
Related deferred taxation		(1,253,542)	(1,253,542)
		3,069,017	3,069,017
Incremental depreciation		(864,512)	-
Related deferred taxation		250,708	-
Transferred to retained earnings during the year - net of deferred tax		(613,804)	-
Closing Balance		2,455,213	3,069,017
Under Modaraba regulations, the revaluation reserve on property and equipments has been shown separately from equity.			
26 UNREALIZED GAIN / (LOSS) ON REVALUATION OF INVESTMENT - FAIR VALUE THROUGH OCI			
Fair value through other comprehensive income	26.1	(1,657,509)	(4,281,096)
26.1 Opening Balance		(4,281,096)	(7,211,014)
Gain / (loss) on fair value during the year		2,623,587	2,929,918
Related deferred taxation		-	-
Closing Balance		(1,657,509)	(4,281,096)
Under Modaraba regulations, the FVOCI reserves has been shown separately from equity.			
27 INCOME FROM IJARAH FINANCING			
Income from ijarah rental		41,552,677	36,539,427
Ijarah income (suspended) / recovered - net	27.1	-	-
		41,552,677	36,539,427
Gain on disposal of ijarah assets		439,474	611,835
		41,992,151	37,151,262
27.1	This represents ijarah income recovered/(suspended) in accordance with the prudential regulations applicable to the Modaraba.		



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	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
28 INCOME FROM MURABAHAH FINANCING			
Murabahah income recovered	28.1	198,736	17,236
		198,736	17,236
28.1 This represents murabahah income recovered in accordance with the prudential regulations applicable to the Modaraba.			
29 INCOME FROM MUSHARAKAH FINANCING			
Musharakah income recovered		923,610	-
		923,610	-
29.1 This represents musharakah income recovered in accordance with the prudential regulations applicable to the Modaraba.			
30 RETURN ON INVESTMENTS			
Dividend income-Gross		1,221,314	3,197,479
Gain / (loss) on sale of investments		973,831	-
		2,195,145	3,197,479
31 OTHER INCOME			
Return on bank deposits - Shariah Compliant		684,797	217,943
Gain on sale of fixed assets		-	2,499
Misc. income		-	93,109
		684,797	313,551
32 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries and benefits	32.1	10,686,311	11,296,065
Rent, rates and taxes		54,425	178,180
Utilities		970,540	955,024
Repair and maintenance		658,404	654,043
Printing and stationery		598,685	532,788
Communication		193,123	200,177
Postage		140,900	119,428
Travelling and conveyance		1,063,908	1,025,898
Insurance/Takaful		108,567	111,525
Advertisement		19,661	19,661
Fee and subscription		1,186,120	633,983
Newspapers, books and periodicals		4,160	5,625
Entertainment		60,942	194,345
Auditors' remuneration	32.2	490,000	490,000
Legal and professional charges		2,098,680	1,644,250
Shariah Advisor		235,200	235,200
Registrar services		334,080	334,080
Depreciation	14	1,047,392	212,023
Zakat and charity		15,139	12,853
Others		284,560	314,698
		20,250,797	19,169,846
32.1 These include charge in respect of employees retirement benefits amounting to Rs. 1,798,204/- (2025: Rs. 2,379,451/-).			
32.2 Auditors' remuneration			
Annual statutory Audit		300,000	300,000
Half yearly review		90,000	90,000
Review report under Code of Corporate Governance		75,000	75,000
Out of pocket expenses		25,000	25,000
		490,000	490,000
33 FINANCIAL CHARGES			
Bank charges		14,861	16,147
		14,861	16,147



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	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
34 OTHER OPERATING LOSS			
Loss on sale of calves		541,112	202,814
		<u>541,112</u>	<u>202,814</u>
35 MANAGEMENT FEE			
Management Fee		-	654,295
The Modaraba Management Company is entitled to a fee 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 30 June 2026 is Rs. Nil/- (2025: Rs. 654,295/-).			
36 LEVY AND TAXATION			
Levy	36.1	1,334,078	1,193,216
Taxation	36.2	(250,708)	-
		<u>1,083,370</u>	<u>1,193,216</u>
36.1 Levy			
Final tax		792,982	736,258
Minimum tax		541,096	456,958
		<u>1,334,078</u>	<u>1,193,216</u>
36.2 TAXATION			
Current taxation			
For the year		-	-
Prior year		-	-
		-	-
Deferred tax		(250,708)	-
		<u>(250,708)</u>	<u>-</u>
- Income tax return has been filed to the income tax authorities up to and including tax year 2025 under the provisions of the Income Tax Ordinance, 2001. No numeric reconciliation has been presented, being impracticable. - In view of uncertainty about taxable profits in foreseeable future against which losses could be utilized, the Company has not recognized deferred tax asset amount.			
37 EARNINGS PER CERTIFICATE - BASIC AND DILUTED			
Earnings attributable to certificate holders	Rupees	(7,026,291)	4,695,434
Weighted average number of certificates outstanding during the year	No. of certificates	11,340,000	11,340,000
Earnings per certificate	Rupees	(0.62)	0.41
There is no diluting effect on the basic earnings per certificate of the Modaraba			
	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
38 CASH GENERATED FROM OPERATIONS			
Profit / (Loss) before levy and taxation		(5,942,921)	5,888,650
Adjustments for non-cash and other items			
Depreciation of assets under own use		1,047,392	212,023
Depreciation of assets leased out under ijarah contracts		31,275,115	26,388,228
Finances under murabahah arrangements		-	171,140
Gain on sale of investments - FVTPL		(973,831)	-
Fair value loss on investments at FVTPL		651,222	-
Finances under musharakah arrangements		-	133,000
Dividend income		(1,221,314)	(3,197,479)
Gain on transfer of assets leased out		(439,474)	(611,835)
Gain on sale of property and equipment		-	(2,499)



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	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Loss on sale of biological assets		541,112	202,814
Provision for employees retirement benefits		1,798,204	2,379,451
Fair value gain on biological Assets		-	(236,312)
Fair value gain on investment property		(266,000)	(11,100,000)
Reversal of provision for doubtful receivables		-	(304,140)
		32,412,426	14,034,391
Operating profit before changes in working capital		26,469,505	19,923,041
Changes in working capital			
Ijarah rentals receivable		(586,095)	207,160
Profit receivable		-	(17,236)
Advances, deposits, prepayments and other receivables		8,117,494	(6,886,967)
Security deposits		7,176,804	13,547,013
Accrued and other liabilities		(3,776,706)	2,945,469
		10,931,497	9,795,439
Cash generated from operations		37,401,002	29,718,480
39 CASH AND CASH EQUIVALENTS			
Cash and bank balances	13	23,519,160	8,268,717

40 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related party of the Modaraba comprise of the modaraba management company, directors and key management personnel. Transactions with related parties are disclosed below.

40.1 Transaction with related party during the year

Name	Nature of relationship	Nature of transaction	June 30, 2026 Rupees	June 30, 2025 Rupees
Crescent Modaraba Management Company Limited	Management Company	Management fee	-	685,000
			-	685,000

40.2 Payable to related parties

Name	Nature of relationship	Accounts Balances	June 30, 2026 Rupees	June 30, 2025 Rupees
Crescent Modaraba Management Company Limited	Management Company	Management fee payable	997,004	2,722,504
			997,004	2,722,504

41 FINANCIAL INSTRUMENTS

41.1 Financial instruments by class and category

Financial assets as at June 30, 2026

	Note	At fair value through profit or loss Rupees	at amortized cost Rupees	At fair value through other comprehensive income Rupees	Total Rupees
Short term investments	4	6,166,940	-	3,751,295	9,918,235
Short term investments in Mutual Funds	5	4,975,613	-	-	4,975,613
Finances under musharakah arrangements	6	-	-	-	-
Finances under murabahah arrangements	7	-	16,403	-	16,403
Ijarah rentals receivable	8	-	1,047,549	-	1,047,549
Profit receivable	9	-	-	-	-
Security deposits	10	-	40,450	-	40,450
Other receivables	10	-	-	-	-
Cash and bank balances	13	-	23,519,160	-	23,519,160
		11,142,553	24,623,562	3,751,295	39,517,410



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Financial assets as at June 30, 2025

	Note	At fair value through profit or loss Rupees	at amortized cost Rupees	At fair value through other comprehensive income Rupees	Total Rupees
Short term investments	4	-	-	15,897,985	15,897,985
Short term investments in Mutual Funds	5	9,655,248	-	-	9,655,248
Finances under musharakah arrangements	6	-	-	-	-
Finances under murabahah arrangements	7	-	16,403	-	16,403
Ijarah rentals receivable	8	-	461,454	-	461,454
Profit receivable	9	-	-	-	-
Security deposits	10	-	40,450	-	40,450
Other receivables	10	-	890	-	890
Cash and bank balances	13	-	8,268,717	-	8,268,717
		9,655,248	8,787,914	15,897,985	34,341,147

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Financial liabilities at amortized cost			
Accrued expenses	18	728,448	762,622
Management fee payable	18	997,004	2,722,504
Charity payable	18	15,139	12,853
Other payables	18	1,002,655	972,403
Unclaimed profit distribution	20	8,369,007	8,376,835
		11,112,253	12,847,217

Fair value hierarchy

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

	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
June 30, 2026				
Financial Assets:				
Short term investments	9,918,235	-	-	9,918,235
Short term investments in Mutual Funds	4,975,613	-	-	4,975,613
June 30, 2025				
Financial Assets:				
Short term investments	15,897,985	-	-	15,897,985
Short term investments in Mutual Funds	9,655,248	-	-	9,655,248

41.2 Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged or liability be settled between knowledgeable willing parties in an arm's length transaction. As at the reporting date, fair values of all financial instruments are considered to approximate their carrying amounts.

41.2.1 Methods of determining fair values

Fair values of financial instruments for which prices are available from the active market are measured by reference to those market prices. Fair values of financial assets and liabilities with no active market are determined in accordance with generally accepted pricing models based on discounted cash flow analysis based on inputs from other than observable market.

41.2.2 Discount/interest rates used for determining fair values

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve as at the reporting date plus an adequate credit spread.

42 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Modaraba's objective in managing risks is creation and protection of certificate holders' value. Risk is inherent in the Modaraba's 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 Modaraba's continuing profitability. The Modaraba is exposed to credit risk, liquidity risk and market risk arising from the financial instruments it holds.

The Modaraba primarily invests in ijarah assets, musharakah, murabahah and diversified portfolio of listed securities. These are subject to varying degrees of risks. The way these risks affect revenues, expenses, assets, liabilities and forecast transactions of the Modaraba and the manner in which these risks are managed is as follows:



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42.1 Credit risk

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

42.1.1 Maximum exposure to credit risk

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

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Financial assets			
Short term investments	4	9,918,235	15,897,985
Short term investments in Mutual Funds	5	4,975,613	9,655,248
Finances under musharakah arrangements	6	-	-
Finances under murabahah arrangements	7	16,403	16,403
Ijarah rentals receivable	8	1,047,549	461,454
Profit receivable	9	-	-
Security deposits	10	40,450	40,450
Other receivables	10	-	890
Bank balances	13	23,464,466	8,208,395
		39,462,716	34,280,825

42.1.2 Concentration of credit risk

The Modaraba identifies concentrations of credit risk by reference to type of counter party and balances with customers are further analyzed by reference to industry distribution. Maximum exposure to credit risk by type of counterparty is as follows:

Customers and other parties	15,998,250	26,072,430
Banking companies and financial institutions	23,464,466	8,208,395
	39,462,716	34,280,825

Concentration of credit risk in respect of balances with customers and other parties by industrial distribution is as follows:

2026						
	Ijarah rentals Receivable	Finances under Murabahah arrangements	Finances under Musharakah arrangements	Profit receivables	Others receivables	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Services	-	-	-	343,182	-	343,182
Textile	-	23,720,130	-	14,288,302	476,036	38,484,468
Transport	-	-	-	-	-	-
Electrical and engineering	-	-	-	255,647	-	255,647
Packaging	-	3,180,619	-	3,013,864	132,928	6,327,411
Individuals	7,692,150	27,876,390	-	2,646,563	1,497,312	39,712,415
	7,692,150	54,777,139	-	20,547,558	2,106,276	85,123,123
2025						
	Ijarah rentals Receivable	Finances under Murabahah arrangements	Finances under Musharakah arrangements	Profit receivables	Others receivables	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Services	-	-	-	343,182	890	344,072
Textile	-	23,720,130	-	14,288,302	476,036	38,484,468
Transport	-	-	320,744	923,610	503,804	1,748,158
Electrical and engineering	-	-	-	255,647	-	255,647
Packaging	-	3,180,615	-	3,013,864	132,928	6,327,407
Individuals	7,106,055	27,953,751	-	2,655,180	1,497,312	39,212,298
	7,106,055	54,854,496	320,744	21,479,785	2,610,970	86,372,050

42.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings,



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except for balances with customers where credit quality is assessed by reference to historical information about counterparty default rates and present ages.

Counterparties with external credit ratings

These include banking companies, which are counterparties to cash deposits. These counterparties have reasonably high credit ratings as determined by various credit rating agencies and management does not expect non-performance by these counterparties on their obligations to the Modaraba. The credit quality of company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating agency	Rating	
		Short term	Long term
Meezan Bank Limited	VIS	A-1+	AAA
Bank Alfalah Limited	PACRA	A-1+	AAA

Counterparties without external credit ratings

These include customers which are counter parties to finances under murabahah, musharakah and ijarah arrangements, profit receivable thereon and other receivable from parties. The Modaraba is exposed to credit risk in respect of these balances. These analysis of ages of customer balances as at the reporting date is as follows:

	2026		2025	
	Gross Carrying Amount	Accumulated Impairment	Gross carrying Amount	Accumulated Impairment
	Rupees	Rupees	Rupees	Rupees
Neither past due nor impaired	-	-	890	-
Past due by upto 90 days	1,047,549	1,047,549	462,254	462,254
Past due by 90 to 180 days	-	-	-	-
Past due by 180 days to 1 year	-	-	-	-
Past due by 1 to 2 years	-	-	431,319	431,319
Past due by 2 to 3 years	2,300,368	2,300,368	1,869,049	1,869,049
Past due by 3 years or more	2,450,533	2,450,533	2,450,533	2,450,533
Past due by 5 year more	79,324,673	79,308,266	81,158,005	81,141,598
	85,123,123	85,106,716	86,372,050	86,354,753

The Management believes that the existing impairment allowance is adequate and no further allowance is necessary.

42.1.4 Collateral held

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

42.1.5 Credit risk management

The Modaraba's portfolio of loans and receivables is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The Modaraba does not have significant concentration of credit risk with a single counterparty. Formal policies and procedures of credit management and administration of receivables are established and executed. In monitoring customer credit risk, the ageing profile of total receivable balances and individually significant balances, along with collection activities are reported Management Company on a monthly basis. High risk customers are identified and restrictions are placed on future financing and credit period extensions.

42.2 Liquidity risk

Liquidity risk is the risk that the Modaraba will not be able to meet its financial obligations as they fall due. Given the nature of Modaraba's operations and existing financial liabilities, the Modaraba's exposure to liquidity risk is very limited and liquidity risk management is limited to ensuring that it has sufficient cash on demand to meet expected operational cash flows.

The table below analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

June 30, 2026	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2 - 5 years	More than 5 years
Rupees							
Non-derivative Financial Liabilities							
Accrued and other liabilities	2,743,246	2,743,246	2,743,246	-	-	-	-
Unclaimed profit distribution	8,369,007	8,369,007	8,369,007	-	-	-	-
	11,112,253	11,112,253	11,112,253	-	-	-	-



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June 30, 2025	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2 - 5 years	More than 5 years
Rupees							
Non-derivative Financial Liabilities							
Accrued and other liabilities	4,457,529	4,457,529	4,457,529	-	-	-	-
Unclaimed profit distribution	8,376,835	8,376,835	8,376,835	-	-	-	-
	<u>12,834,364</u>	<u>12,834,364</u>	<u>12,834,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

42.3 Market risk

42.3.1 Currency risk

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

42.3.2 Profit rate risk

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

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Fixed rate instruments			
Financial Assets			
Finances under musharakah arrangements	6	-	-
Finances under murabahah arrangements	7	16,403	16,403
Ijarah rentals receivable	8	1,047,549	461,454
Floating rate instruments		<u>1,063,952</u>	<u>477,857</u>
Financial Assets			
Bank balances - saving accounts	13	23,028,922	7,761,724
		<u>23,028,922</u>	<u>7,761,724</u>

If interest rates had been 1 % higher / lower and all other variables were held constant, the Company's profit / (loss) for the year ended 30 June 2026 would have higher / lower by Rs. 230,289 (2025: Rs. 77,617). This is mainly attributable to the Company's exposure to interest rates on its variable rate financial instruments.

42.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from profit rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments.

The Modaraba is exposed to other price risk on its investments in equity securities of companies listed on the Pakistan Stock Exchange and on its investments in units of a money market mutual fund, all of which are carried at fair value. In respect of the listed equity securities, the exposure arises from adverse movements in quoted market prices, whether driven by factors specific to an individual investee company or by general movements in the equity market. In respect of the units of the mutual fund, the exposure arises from adverse movements in the net asset value per unit declared by the asset management company. The Modaraba is not exposed to commodity price risk.

Sensitivity analysis

The table below summarises the impact of increases / decreases of the KSE-100 index on the Modaraba's profit or loss and equity. The analysis is based on the assumption that the KSE-100 index had increased / decreased by 10% with all other variables held constant and all the Modaraba's equity investments moved according to the historical correlation with the index, and that the net asset value per unit of the units of the mutual fund had increased / decreased by 1%:

	June 30, 2026 Rupees	June 30, 2025 Rupees
Effect on profit before taxation		
Investments in listed equity securities - increase / (decrease) of 10%	616,694	-
Investments in units of mutual funds - increase / (decrease) of 1%	49,756	96,552
Total effect on profit before taxation	<u>666,450</u>	<u>96,552</u>
Effect on other comprehensive income and equity		
Investments in listed equity securities - increase / (decrease) of 10%	375,130	1,589,799
Effect on total comprehensive income	<u>1,041,580</u>	<u>1,686,351</u>



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43 CAPITAL MANAGEMENT

The Modaraba's policy is to maintain a strong capital base so as to maintain investor confidence and to sustain future development of the business. The Management Company monitors the return on assets of the Modaraba, including finances under ijarah, murabahah and musharakah arrangements and investments in capital market which are managed through appropriate risk management policies. For major aspects of capital management, the Modaraba adheres to the requirements of the Ordinance, Rules and Regulations including the requirements of statutory reserve. The level of profit distribution to certificate holders is kept at the required level in order to avail the tax exemption. There were no changes in the Modaraba's approach to capital management during the year. The gearing ratio as at years ended June 30, 2026 and June 30, 2025 are as follows:

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Net debit / (surplus)		-	-
Total Equity		136,821,537	136,691,709
Total Capital		136,821,537	136,691,709
Gearing Ratio %		-	-

44 SHARIAH SCREENING DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

The following information has been disclosed in accordance with Paragraph 10 of Items VI and VII of Part I of the Fourth Schedule to the Companies Act, 2017, relating to the All Shares Islamic Index.

Note	2026			2025			
	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total	
	Rupees			Rupees			
Statement of Financial Position - asset side							
Short term investments	4	-	9,918,235	9,918,235	-	15,897,985	15,897,985
Short term investments in Mutual Funds	5	-	4,975,613	4,975,613	-	9,655,248	9,655,248
Cash and bank balances	13	-	23,519,160	23,519,160	-	8,268,717	8,268,717
Statement of Financial Position - liability side							
Financing (long-term, short-term, or lease financing) obtained as per	-	-	-	-	-	-	-
Statement of Profit or Loss							
Income from ijarah financing	27	-	41,992,151	41,992,151	-	37,151,262	37,151,262
Income from murabahah financing	28	-	198,736	198,736	-	17,236	17,236
Income from musharakah financing	29	-	923,610	923,610	-	-	-
Gain / loss or dividend earned from shariah compliant investment	30	-	2,195,145	2,195,145	-	3,197,479	3,197,479
Exchange (loss incurred) / gain earned	-	-	-	-	-	-	-
Mark up paid on Islamic mode of financing	-	-	-	-	-	-	-
Profit earned from Shariah Compliant bank deposit / bank balances	31	-	684,797	684,797	-	313,551	313,551
Bank charges	33	-	14,861	14,861	-	16,147	16,147

44.1 Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc.

Name	Relationship
Meezan Bank Limited	Bank Balance
Bank Alfalah Limited	Bank Balance

44.2 No other provisions of the Shariah compliance disclosure requirements are applicable to the Company for the year ended June 30, 2026.

45 SEGMENT REPORTING

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

Types of segments

- Ijara finances
- Short term investment

No operating segments have been aggregated to or form the above reportable operating segments. Other activities of the Modaraba did not meet quantitative threshold for reportable segments.

The Chief Executive Officer monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment



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performance is generally evaluated based on certain key performance indicators including business volume, gross profit, profit from operations, reduction in operating cost and free cash flows. There were no transfers between operating segments during the year (2025: Nil).

	30-06-2026			30-06-2025		
	Ijara finance	Return on investment	Total	Ijara finance	Return on investment	Total
	Rupees			Rupees		
Segment revenues						
Gross revenue from external customer	41,992,151	2,195,145	44,187,296	37,151,262	3,197,479	40,348,741
Depreciation on assets under ijara	(31,275,115)	-	(31,275,115)	(26,388,228)	-	(26,388,228)
Net Revenue	10,717,036	2,195,145	12,912,181	10,763,034	3,197,479	13,960,513
Reportable segment profit	10,717,036	2,195,145	12,912,181	10,763,034	3,197,479	13,960,513
Reportable segment assets	123,216,679	14,893,848	138,110,527	114,150,471	25,553,233	139,703,704
Reportable segment liabilities	75,150,605	-	75,150,605	67,973,801	-	67,973,801

Reconciliation of reportable segments revenue, Profit or loss, assets and liabilities is as follows:

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Revenues			
Total revenues for reportable segments		44,187,296	40,348,741
Other revenue		2,602,890	11,971,239
Modaraba's revenues		46,790,186	52,319,980
Profit			
Total profit for reportable segments		12,912,181	13,960,513
Other income		2,602,890	11,971,239
Administrative and general expenses		(20,250,797)	(19,169,846)
Other Operating expenses		(1,207,195)	(218,961)
Modaraba management company's fee		-	(654,295)
		(5,942,921)	5,888,650
Assets			
Total assets for reportable segments		138,110,527	139,703,704
Corporate assets unallocated:			
Short term finances under musharakah arrangements - Secured		-	-
Short term finances under murabahah arrangements - Secured		16,403	16,403
Profit receivable - Secured		-	-
Advances, deposits, prepayments and other receivables		4,403,307	12,520,801
Biological Assets		-	711,112
Advance income tax		-	75,280
Cash and bank balances		23,519,160	8,268,717
Property and equipment		4,499,169	5,500,561
Investment property		65,816,000	65,550,000
		98,254,039	92,642,874
Total assets as per statement of financial position		236,364,566	232,346,578
Liabilities			
Total liabilities for reportable segments		75,150,605	67,973,801
Corporate assets unallocated:			
Accrued and other liabilities		2,898,685	6,675,391
Deferred tax liability		1,002,834	1,253,542
Unclaimed profit distribution		8,369,007	8,376,835
Provision for taxation		812,484	-
Employees retirement benefits		11,309,414	11,375,300
		24,392,424	27,681,068
Total liabilities as per the statement of financial position		99,543,029	95,654,869

46 REMUNERATION OF OFFICERS AND OTHER EMPLOYEES

The aggregate amount charged to profit or loss account and statement of comprehensive income in respect of all officers and other employees on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such executives and employees is as follows:



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	2026		
	Officers	Other Employees	Total
	Rupees	Rupees	Rupees
Managerial remuneration	2,844,900	2,195,847	5,040,747
Allowances and perquisites	2,339,439	1,507,921	3,847,360
Post employment benefits	1,323,121	475,087	1,798,208
	6,507,460	4,178,855	10,686,315
Number of employees at year end	3	8	11
Average no. of employees during the year	3	8	11

	2025		
	Officers	Other Employees	Total
	Rupees	Rupees	Rupees
Managerial remuneration	2,804,700	2,356,179	5,160,879
Allowances and perquisites	2,066,971	1,688,764	3,755,735
Post employment benefits	1,300,132	1,079,319	2,379,451
	6,171,803	5,124,262	11,296,065
Number of employees at year end	3	8	11
Average no. of employees during the year	3	8	11

47 RECOVERABLE AMOUNTS AND IMPAIRMENT

Impairment on ijarah, murabahah and musharakah finances, and profit receivable thereon is recognized in accordance with the requirements of Prudential Regulations for Modarabas pertaining to classification and provisioning. In the opinion of the management, no further impairment, in addition to that already recognized in accordance with Prudential Regulations, is necessary. Further, the recoverable amounts of all other assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

48 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period which may require adjustment of and/or disclosure in these financial statements, except for those already disclosed in these financial statements.

49 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on September 25, 2026.

50 GENERAL

Figures have been rounded off to the nearest rupee.

Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison.

**For Crescent Modaraba Management Company Limited
(Management Company of First Elite Capital Modaraba)**

Chairman

Chief Executive

Director

Chief Financial Officer



GENDER PAY GAP STATEMENT

The Modaraba is committed to promote a culture of inclusivity and gender diversity, where everyone is empowered to flourish. Over the past years, we made significant progress towards gender diversity, by including female director on our Board. We recognize that diversity is a key driver of innovation and competitiveness within our organization. Our commitment remains strong as we continue to build a workplace that reflects equitable treatment and fair working conditions for all our employees.

As required under the SECP Circular No. 10 of 2024, the following is Gender pay gap calculated for the year ended June 30, 2026.

Mean Gender Pay Gap	100%
Median Gender Pay Gap	100%

For and on behalf of the Board of Directors

Aamir Iftikhar Khan
Chief Executive Officer



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Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Year ended June 30, 2026

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

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

1. The total number of directors are 7 as per the following,
 - a. Male : 6
 - b. Female : 1

2. The composition of the board is as follows:

NAME	CATEGORY
Mr. Muneeb Ahmed Dar	Non-Executive Director
Mr. Aamir Iftikhar Khan	Executive Director
Mr. Ghazanfar Farrokh	Non-Executive Director
Mr. Muhammad Javed Amin	Non-Executive Director
Mr. Ghulam Rasool	Independent Director
Mrs. Shahana Javed Amin	Non-Executive Director
Sheikh Muhammad Ali Asif	Independent Director

* For a Board comprising of seven members, one-third equates to 2.33. The independent directors meet the criteria of independence as laid down under the Code. The Board has fixed the number of independent directors at two considering the required skills set and experience. However, fractional contained in one-third number (i.e., 0.33) is not rounded up as one (1), being less than 0.5.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the 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 the board of directors of the Management Company/certificate holders of the Modaraba, (where ever applicable), as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and these Regulations;
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board;
8. The board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program for the following:
 - a) Mr. Aamir Iftikhar Khan
 - b) Mr. Muneeb Ahmed Dar
 - c) Mr. Ghazanfar Farrokh
 - d) Mr. Muhammad Javed Amin
 - e) Mrs. Shahana Javed Amin
 - f) Sheikh Muhammad Ali Asif

** Mr. Ghulam Rasool has not yet obtained the Directors' Training Program certification.

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

a) Audit Committee

Sheikh Muhammad Ali Asif	Chairman
Mr. Ghazanfar Farrokh	Member
Mr. Muneeb Ahmed Dar	Member

b) HR and Remuneration Committee

Mr. Ghulam Rasool	Chairman
Mr. Aamir Iftikhar Khan	Member
Mr. Ghazanfar Farrokh	Member



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13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committee were as per following;
 - a) Audit Committee Quarterly
 - b) HR and Remuneration Committee Annually
15. The board has outsourced the internal audit function to M/S Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company;
16. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they 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 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 are below:

Sr. No.	Regulation No.	Description	Explanation
1.	24	The same person shall not simultaneously hold office of chief financial officer and the company secretary.	The current CFO and Company Secretary is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost-effective measure that is in the better interest of the certificate holders of the Modaraba.
2.	10A (5)	The board may establish a dedicated sustainability committee having at least one female director.	The Board has assigned oversight of sustainability-related matters to the Audit Committee; accordingly, a separate Sustainability Committee has not been constituted.
3.	19 (1)	It is encouraged that by June 30, 2022, all the directors on Boards shall have acquired the prescribed certification under any director training program.	Mr. Ghulam Rasool has not yet obtained the certification under the Directors' Training Program as prescribed under the Regulations. He is expected to obtain the certification during the following year.
4.	29 (1)	The Board may constitute a separate committee, designated as the nomination committee.	The responsibilities as prescribed for the Nomination Committee are being taken care of at Board level as and when needed, so a separate committee is not considered to be necessary at present.
5.	30 (1)	The Board may constitute the risk management committee.	The Board has tasked the Audit Committee to oversee Risk Management matters of the Company; therefore, a separate committee has not been constituted.

Chief Executive Officer

Date: September 25, 2026

Chairman



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PATTERN OF CERTIFICATE HOLDERS AS AT JUNE 30, 2026

NUMBER OF CERTIFICATE HOLDERS	CERTIFICATE HOLDINGS FROM	TO	TOTAL CERTIFICATE HELD
2,400	1	100	112,562
463	101	500	146,351
1,105	501	1,000	653,197
288	1,001	5,000	654,119
45	5,001	10,000	340,787
24	10,001	15,000	302,051
7	15,001	20,000	125,605
3	20,001	25,000	72,492
14	25,001	30,000	390,359
1	30,001	35,000	30,279
3	35,001	40,000	111,935
3	40,001	45,000	126,212
1	50,001	55,000	54,626
2	55,001	60,000	114,200
1	80,001	85,000	84,624
1	105,001	110,000	110,000
1	110,001	115,000	110,132
1	225,001	230,000	226,500
1	365,001	370,000	366,042
1	390,001	395,000	392,620
1	1,130,001	1,135,000	1,134,000
1	5,680,001	5,685,000	5,681,307
4,367			11,340,000



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CATEGORIES OF CERTIFICATE HOLDING AS AT JUNE 30, 2026

CATEGORIES OF CERTIFICATE HOLDERS	NUMBERS	CERTIFICATE HELD	PERCENTAGE
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES			
Crescent Modaraba Management Co. Ltd.	1	1,134,000	10.00
NIT			
CDC-Trustee National Investment (Unit) Trust	1	392,620	3.46
DIRECTORS, CEO AND THEIR SPOUSES AND MINOR CHILDREN	4	420,242	3.71
Mr. Muhammad Javed Amin		366,042	
Mrs. Shahana Javed Amin		45,000	
Mrs. Rukhsana Javed Amin		8,700	
Mr. Ghazanfar Farrokh		500	
EXECUTIVE		-	-
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS	9	81,616	0.72
JOINT STOCK COMPANIES	20	219,576	1.94
INDIVIDUALS	4,332	9,091,946	80.17
TOTAL	4,367	11,340,000	100.00

CERTIFICATES HOLDERS HOLDING FIVE PERCENTAGE OR MORE INTEREST IN THE LISTED COMPANY.

Mr. Nauman Rathore	5,681,307	50.10
Crescent Modaraba Management Company Limited	1,134,000	10.00



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KEY OPERATING AND FINANCIAL DATA

YEAR	2026	2025	2024	2023	2022	2021
Rupees in million						
Revenues	46.79	52.32	69.32	34.00	36.11	48.22
Profit/(Loss) after Management Fee & Taxation	(7.03)	4.69	23.64	(7.06)	(7.22)	4.26
Paid up Capital	113.40	113.40	113.40	113.40	113.40	113.40
Certificate Holder's Equity	136.02	137.90	129.24	92.54	99.28	113.39
Current Liabilities	29.07	27.48	15.42	15.74	25.86	28.06
Fixed Assets	192.48	184.74	153.81	123.96	111.98	118.52
Current Assets	43.88	47.61	47.52	38.94	55.99	67.30
Dividend (%)	-	-	-	-	-	3.00
Earning/(Loss) per Certificate	(0.62)	0.41	2.08	(0.62)	(0.64)	0.38
Break up Value	12.00	12.16	11.40	8.16	8.76	10.00



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Independent Auditors' Review Report To The Certificate Holders of First Elite Capital Modaraba Review Report on 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 **First Elite Capital Modaraba** (the Modaraba) for the year ended 30 June 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

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

Sr. No.	Paragraph Reference	Description
1	19	The same person simultaneously holds office of chief financial officer and the company secretary.
2	19	The Board has not set up a dedicated sustainability committee.
3	19	The Board have not completed directors' training program certification of one director.
4	19	The Board has not set up a nomination committee.
5	19	The Board has not set up a risk management committee.

Ilyas Saeed & Co.
Chartered Accountants

Date: September 25, 2026

Place: Lahore

UDIN: CR202610278nsxC6qr2G



Shariah Advisor's Report

I have conducted the Shariah review of **First Elite Capital Modaraba** managed by **Crescent Modaraba Management Company Limited** for the year ended June 30, 2026 in accordance with the requirements of the Shariah Compliance and Shariah Audit Mechanism for Modarabas. Based on my review I report that in my opinion:

- i. The Modaraba has introduced a mechanism which has strengthened the Shariah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shariah principles.
- ii. I confirm that the financing agreement(s) entered into by the Modaraba are Shariah compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board and all the related conditions have been met;
- iii. During the year, the Shariah Advisor has been visiting the premises regularly to provide Shariah guidance in concerned cases.
- iv. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shariah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shariah Compliance and Shariah Audit Regulations for Modarabas.
- v. The Modaraba does not offer any deposit raising products and therefore no review has been done in respect to profit sharing ratio.
- vi. The Charity amount has been credited to charity account and has also been paid to approved charitable institution.

Recommendation(s)

- A few remaining Non Shariah Non Tradable equity instruments will be disposed off when they would be tradable equity instruments.

Conclusion

Alhamdulillah, after introduction of Shariah Compliance and Shariah Audit Mechanism for Modarabas by Securities & Exchange Commission of Pakistan (SECP), the Management of First Elite Capital Modaraba has effectively shown its sincerity to comply with Shariah Rulings. According to my best knowledge the business operations of First Elite Capital Modaraba are Shariah compliant.

May Allah bless us with the best Tawfeeq to accomplish his cherished tasks, make us successful in this world and in the hereafter, and forgive our mistakes.

Mufti Muhammad Umar

Shariah Advisor

Date: September 25, 2026



FIRST ELITE CAPITAL MODARABA

NOTICE OF ANNUAL REVIEW MEETING

Notice is hereby given that 27th Annual Review Meeting of Certificate Holders of First Elite Capital Modaraba will be held on Wednesday, October 28, 2026 at 1:30 p.m. at 182-A, Garden Block, New Garden Town, Lahore to review the performance of the Modaraba for the year ended June 30, 2026. The Certificate Holders whose names appear on the Register of Certificate Holders of the Modaraba as on October 21, 2026 will be eligible to attend the Meeting.

By Order of the Board

Muhammad Arif Hilal
Company Secretary

Lahore, October 06, 2026

Notes:

1. Closure of Certificate Transfer Books

The Certificate Transfer Books shall remain closed from October 22, 2026 to October 28, 2026 (both days inclusive.) Transfers received in order at the office of our Registrar M/s Corptec Associates (Pvt) Limited, 503-E, Johar Town, Lahore, before the close of business on October 21, 2026 will be treated in time for the purpose of eligibility to attend the Annual Review Meeting.

2. Consent for Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, Members may avail video conference facility for this Annual Review Meeting provided the Company receives consent from the members holding aggregate 10% or more of the total certificate holding and residing in a particular geographical location at least 7 days prior to the date of meeting, at info@fecm.com.pk

3. Conversion of Physical Certificates into Book-Entry Form

As per Section 72 of the Companies Act, 2017, all listed companies are required to replace certificates issued by them in physical form to book-entry form. Accordingly, all members of the Company having physical certificates are advised to convert their certificates into book-entry form at the earliest with the Central Depository Company of Pakistan Limited. The members may contact the Company or Shares Registrar, M/s Corptec Associates (Pvt.) Limited for the conversion of physical certificates into book-entry form.

4. Unclaimed Dividends and Certificates.

Members, whose dividends and certificates are still unclaimed/undelivered, are hereby advised to contact our Share Registrar, M/s Corptec Associates (Pvt.) Limited to enquire about and collect their unclaimed dividends or uncollected certificates.

5. To Access the Annual Report 2026 via QR Code or weblink

Annual report can be accessed using the following weblink and QR Code.

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FIRST ELITE CAPITAL MODARABA

اطلاع برائے سالانہ جائزہ اجلاس

مطلع کیا جاتا ہے کہ فرسٹ ایلٹ کپٹل مضاربہ کے سرٹیفکیٹ ہولڈرز کی 27 ویں سالانہ رپویٹنگ بروز بدھ 28 اکتوبر 2026ء بوقت 01:30 بجے دوپہر 182-A، گارڈن بلاک، نیو گارڈن ٹاؤن لاہور میں مضاربہ کے مالی سال تختہ 30 جون 2026ء کا جائزہ لینے کیلئے منعقد ہوگی۔ سرٹیفکیٹ ہولڈرز جن کے نام مضاربہ رجسٹر میں 21 اکتوبر 2026ء کو درج ہوں گے، اس اجلاس میں حاضری کے اہل ہوں گے۔

محکم بورڈ

محمد عارف بلال

کمپنی سیکرٹری

لاہور، 06 اکتوبر 2026ء

نوٹس:

1- سرٹیفکیٹ ٹرانسفر بکس کی بندش:

مضاربہ کی سرٹیفکیٹ ٹرانسفر بکس 2026-10-22 سے 2026-10-28 (بشمول دو ایام) بند رہیں گی۔ 2026-10-21 کو اوقات کار کے اختتام سے قبل ہمارے رجسٹر اریسٹرز کارپنک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کے آفس واقع E-503، جوہر ٹاؤن، لاہور میں موصول ہونے والے سرٹیفکیٹ بروقت تصور ہوں گے اور اجلاس میں حاضری کے اہل ہوں گے۔

2- ویڈیو کانفرنس کی سہولت کے لیے رضامندی:-

کمپنیز ایکٹ 2017 کے مطابق، اراکین اس سالانہ جائزہ اجلاس میں شرکت کے لیے ویڈیو کانفرنس کی سہولت سے استفادہ کر سکتے ہیں، بشرطیکہ کمپنی کو ایسے اراکین کی جانب سے رضامندی موصول ہو جو مجموعی طور پر کل سرٹیفکیٹ ہولڈنگ کا 10% یا اس سے زیادہ رکھتے ہوں، اور کسی مخصوص جغرافیائی مقام پر مقیم ہوں۔ اس مقصد کے لیے رضامندی اجلاس کی تاریخ سے کم از کم سات دن قبل ای میل info@fecm.com.pk پر ارسال کرنا ضروری ہے۔

3- فزیکل سرٹیفکیٹس کی بک انٹری فارم میں تبدیلی:

کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق، تمام لسٹڈ کمپنیوں پر لازم ہے کہ وہ اپنے ذریعہ جاری کردہ سرٹیفکیٹس کو بک انٹری فارم میں تبدیل کریں۔ اس کے مطابق، فزیکل سرٹیفکیٹ رکھنے والے کمپنی کے تمام اراکین کو مشورہ دیا جاتا ہے کہ وہ اپنے سرٹیفکیٹس کو جلد از جلد سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کے پاس بک انٹری فارم میں تبدیل کریں۔ فزیکل سرٹیفکیٹس کو بک انٹری فارم میں تبدیل کرنے کے لیے اراکین کمپنی یا شیئر رجسٹرار، میسرز کارپنک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ سے رابطہ کر سکتے ہیں۔

4- غیر وصول شدہ ڈیویڈنڈ اور سرٹیفکیٹس:-

وہ اراکین جنہوں نے ابھی تک ڈیویڈنڈ یا سرٹیفکیٹس وصول نہیں کیے انہیں مشورہ دیا جاتا ہے کہ وہ ہمارے شیئر رجسٹرار میسرز کارپنک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ سے رابطہ کریں تاکہ اپنے غیر وصول شدہ ڈیویڈنڈ یا غیر حاصل شدہ سرٹیفکیٹس کے بارے میں معلومات اور انہیں وصول کر سکیں۔

5- سالانہ رپورٹ 2026 تک رسائی کیو آر (QR) کوڈ یا ویب لنک:

سالانہ رپورٹ درج ذیل ویب لنک اور کیو آر (QR) کوڈ کے ذریعے ملاحظہ کی جاسکتی ہے۔



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سالانہ رپورٹ 2026ء

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