

Annual Report
2026

First Tri-Star Modaraba



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

Vision Statement

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

Mission Statement

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

Core Value

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

Statement of Ethics and Business Practices

The articulation of this statement is based on following points:

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

Board of Directors

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

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

Shariah Advisor:	Alhamd Shariah Advisory Services (Pvt) Ltd.
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Bankers:	Al Baraka Bank (Pakistan) Ltd. Bank Al-Habib Ltd.
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Registered Office:	A/33, Central Commercial Area, Block 7/8, KCHSU, Karachi.
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Management Company:	A.R.T. Modaraba Management (Pvt) Ltd.
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Notice of Annual Review Meeting

Twenty Seventh Annual Review Meeting of the Certificate Holders of First Tri-Star Modaraba will be held on Wednesday, October 28, 2026 at 3.30 pm at A/33, Central Commercial Area, Block 7/8, KCHSU, Karachi.

The Certificate Transfer Books shall remain closed from October 23, 2026 to October 30, 2026 (both days inclusive). Transfers received in order at the office of the Share Registrar before the close of business on October 22, 2026 will be considered in time for the purpose of attendance of the Annual Review Meeting.

By Order of the Board

Chief Executive

Dated: October 6, 2026
Place: Karachi

فرسٹ ٹرائی اسٹار مضاربہ | سالانہ رپورٹ

نوٹس برائے سالانہ جائزہ اجلاس

نوٹس ہذا کے ذریعے مطلع کیا جاتا ہے کہ فرسٹ ٹرائی اسٹار مضاربہ کے سرٹیفکیٹ ہولڈرز کا ستائیسواں (27 واں) سالانہ جائزہ اجلاس عام (ARM) مورخہ 28 اکتوبر 2026ء بروز بدھ دوپہر 03:30 بجے بمقام A/33، سینٹرل کمرشل ایریا، بلاک 7/8، KCHSU، کراچی میں منعقد ہوگا:

سرٹیفکیٹ ٹرانسفر books مورخہ 23 اکتوبر 2026ء سے 30 اکتوبر 2026ء (بشمول دونوں ایام) تک بند رہیں گی۔
22 اکتوبر 2026ء کو کاروبار بند ہونے سے پہلے شیئر رجسٹرار کے دفتر میں باقاعدہ موصول ٹرانسفرز کو سالانہ جائزہ اجلاس میں شرکت کے لئے بروقت شمار کیا جائے گا۔

بحکم بورڈ

چیف ایگزیکٹو

تاریخ: 06 اکتوبر، 2026ء

مقام: کراچی

Report of Directors of A.R.T. Modaraba Management (Pvt) Limited as on June 30, 2026

The Board of Directors of A.R.T. Modaraba Management (Pvt) Limited present the 35th Annual Report of First Tri-Star Modaraba together with audited accounts for the year ended 30th June, 2026.

1. FINANCIAL RESULTS

Financial results are summarized as follows:

	2026	2025
	-----Rupees-----	
Revenue	23,082,893	35,570,611
Administrative Expenses	(39,237,820)	(56,782,181)
	(16,154,927)	(19,211,570)
Other Income	28,924,788	7,708,491
Financial Charges	(1,114,989)	(2,110,199)
Profit before Taxation	11,654,872	(13,613,277)
Modaraba Company's Management fee	(1,165,487)	-
Sindh sales tax on Management Company's fee	(174,823)	-
Workers' Welfare Fund	(206,291)	-
Profit / (Loss) before Levy & Taxation	10,108,271	(13,613,277)
Levy	(4,514,898)	(1,590,356)
Profit / (Loss) before Taxation	5,593,373	(15,203,633)
Taxation	(686,317)	173,743
Profit / (Loss) after Taxation	4,907,056	(15,029,891)
Other comprehensive income		
Items that will not be reclassified subsequently to Statement of Profit or Loss		
(Deficit) / Surplus on revaluation of investments classified at fair value through other comprehensive income – net of deferred tax	(193,836,302)	64,553,475
	(188,929,246)	49,523,584
Earnings per certificate – basic and diluted	0.23	(0.71)

2. BUSINESS

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

3. DIVIDEND

The Board of Directors have recommended nil dividend for the year ended 30.06.2026.

4. BOARD OF DIRECTOR

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

5. AUDITORS

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

6. STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAME WORK

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

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

- k. The pattern of certificate holdings is annexed.

7. ACKNOWLEDGMENTS

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

On behalf of the Board

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Dated: October 2, 2026

ڈائریکٹرز رپورٹ

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

مؤرخہ 30 جون 2026ء

A.R.T. مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2026ء کو اختتام پذیر سال کے لئے فرسٹ ٹرائی اسٹار مضاربہ کی پینتیسویں (35 ویں) سالانہ رپورٹ کے ہمراہ پڑتال شدہ کھاتے ازراہ مسرت پیش کرتے ہیں۔

1. مالیاتی نتائج

مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

2025ء	2026ء	
..... روپے		
35,570,611	23,082,893	آمدنی
(56,782,181)	(39,237,820)	انتظامی اخراجات
19,211,570	16,154,927	
7,708,491	28,924,788	دیگر آمدنی
(2,110,199)	(1,114,989)	مالیاتی اخراجات
(13,613,277)	11,654,872	
-	(1,165,487)	مضاربہ کمپنی کی انتظامی فیس
-	(174,823)	مینجمنٹ کمپنی کی فیس پرسرو سز سیزن ٹیکس
-	(206,291)	ورکرز ویلفیئر فنڈز
(13,613,277)	10,108,271	لیوی اور ٹیکس سے پہلے منافع / نقصان
(1,590,356)	(4,514,898)	لیوی
(15,203,633)	5,593,373	ٹیکس سے پہلے منافع / نقصان
173,743	(686,317)	ٹیکس

ٹیکس کے بعد منافع / نقصان 4,907,056 (15,029,891)
دیگر جامع آمدنی

وہ اجزاء جن کی بعد کے ادوار میں منافع یا نقصان
کے بیان میں دوبارہ درجہ بندی کی جاسکتی ہے
سرمایہ کاری کی دوبارہ تشخیص پر اضافہ کی درجہ
بندی بطور دیگر جامع آمدنی کے بنیاد پر خالص

64,553,475 (193,836,302)

49,523,584 (188,929,246)

فی سٹوفلیٹ آمدنی - بنیادی و تحلیلی 0.23 (0.71)

2. کاروبار

رواں برس کے دوران، مضاربہ رینٹل انکم اور تعلیمی ادارے سے حاصل آمدنی سے ریونیو پیدا کر رہا ہے۔ یہ ادارہ قلیل عرصے میں اپنی ساکھ مضبوط کرنے میں کامیاب ہوا ہے۔ ہمیں یہ اعلان کرتے ہوئے خوشی ہو رہی ہے کہ امپیریل ٹوٹوریل کالج کو ہائر ایجوکیشن کمیشن (HEC) کی جانب سے غیر ملکی تعاون Foreign Collaboration (ٹائپ-I) کے تحت Pearson, UK کے اشتراک سے HND - Fashion & Textiles پروگرام پیش کرنے کے لئے منظوری دے دی ہے۔

3. منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 30.06.2026ء کو اختتام پذیر سال کے لئے صفر منافع منقسمہ تجویز کیا ہے۔

4. بورڈ آف ڈائریکٹرز

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

5. آڈیٹرز

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

6. کاروباری و مالیاتی رپورٹنگ فریم ورک پر اعلامیہ

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

ڈائریکٹر کا نام اجلاس میں حاضری کی تعداد

04 جناب اسد احمد

04 محترمہ مریم احمد

04 جناب احمد خضر خان

k. سٹوفیلیٹ ہولڈنگ کا پیٹرن لف ہذا ہے۔

7. اظہار تشکر

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

منجانب بورڈ

مریم احمد

ڈائریکٹر

اسد احمد

چیف ایگزیکٹو

تاریخ: 2 اکتوبر 2026ء

Independent Auditor's Report
To the Certificate Holders of First Tri-Star Modaraba
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of FIRST TRI-STAR MODARABA ("the Modaraba"), which comprise the statement of financial position as at June 30, 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 a summary of 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 June 30, 2026 and of its profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
(i)	Income from academic services (Refer notes 4.4 and 19 to the annexed financial statements) The Modaraba generates income mainly from tuition fees and other ancillary services. Tuition fees are recognised over the period of time, while income from other ancillary services is recognised on point of time basis.	Our audit procedures in respect of this matter included the following: - Obtained an understanding of and evaluated the accounting policies and processes relating to the recognition of tuition fees and ancillary service income. - Tested tuition fee income on a sample basis by agreeing amounts to supporting documentation, including student enrolment records, class

	We considered revenue recognition to be a key audit matter because of the significance of academic service income to the financial statements and the audit considerations involved in determining the appropriate timing of revenue recognition, particularly in relation to the cut-off of tuition fees across reporting periods and recognition of ancillary service income when the related services are delivered.	schedules and fee receipts, and assessed whether revenue was recognised in the appropriate reporting period. - Tested a sample of ancillary service income with reference to underlying agreements and supporting evidence of service delivery. - Performed cut-off testing around the reporting date to assess whether revenue was recognised in the appropriate accounting period. - Performed analytical procedures over all income streams by reconciling the recorded income to the underlying bank receipts and investigated significant or unusual fluctuations. - Assessed the adequacy of the related disclosures in the financial statements.
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Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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

Responsibilities of Management and Board of Directors of the Modaraba Company for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Imran Shaikh.

Crowe Hussain Chaudhury & Co.

Chartered Accountants

Place: Karachi

Dated: October 3, 2026

UDIN: AR202610207g2VN6vFw5

Independent Assurance Report on Compliance with the Shariah Governance Regulations, 2023

To the Board of Directors of A.R.T Modaraba Management (Private) Limited

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of First Tri Star Modaraba (the Modaraba) for assessing compliance of the Modaraba's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

2. Applicable Criteria

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

- i. Legal and regulatory framework administered by the Commission;
- ii. Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the Commission;
- iii. Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;
- iv. Guidance and recommendations of the Shariah advisory committee, as notified by Commission; and
- v. Approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Modaraba for the year ended June 30, 2026, which are annexed.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the First Tri Star Modaraba with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1 "Quality Management for Firms That Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management

including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Modaraba's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2026, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial information', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Modaraba's financial arrangements, contracts, and transactions having Shariah implications are in compliance with the Shariah principles in all material respects.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Modaraba's compliance with the Shariah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (Criteria specified in the paragraph 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Modaraba's financial arrangements, contracts and transactions for the year ended June 30, 2026 are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Imran Shaikh
October 03, 2026
Karachi

Independent Auditor's Review Report

To the Certificate Holders of First Tri Star Modaraba

on The Statement of Compliance Contained in The 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 Board of Directors (the Board) of **A.R.T Modaraba Management Private Limited**, the Management Company of First Tri Star Modaraba (the Modaraba) for the year ended June 30, 2026, in accordance with the requirements of regulation 36 of the Regulations.

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

As 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's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures or the Scheme's risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board, for their review and approval, the Scheme's related party transactions. We are only required to, and have ensured, compliance with this requirement to the extent of the approval of related party transactions by the Board upon the recommendation of the Audit Committee, to the extent set out in paragraph (iv) below.

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

Further, we highlight below instances of non-compliance with the requirements of the Code, as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S. No.	Paragraph reference	Description
I	Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, read with Section 166(1) of the Companies Act, 2017	Regulation 6(3) requires that an independent director shall be elected in accordance with the requirements of the Companies Act, 2017. Section 166(1) of the Act requires an independent director to be selected from the prescribed databank of eligible and willing independent directors, subject to the applicable requirements, and the Company is responsible for performing due diligence before selection. The Independent Director of the Management Company has not been selected from the prescribed databank. Accordingly, the Management Company has not complied with the requirement of Section 166(1) of the Companies Act, 2017, and consequently with Regulation 6(3) of the Regulations..

Crowe Hussain Chaudhury & Co.

Chartered Accountants

Karachi.

Dated: October 03, 2026

UDIN: CR2026102074cyfATleG

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

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

For the Year Ended June 30, 2026

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

1. The total number of directors are 3 as per the following:

- a. Male: 2
- b. Female: 1

2. The composition of Board is as follows:

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

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board of Directors/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

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

Board Audit Committee:

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

Board Human Resource & Remuneration Committee:

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

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

a) Board of Directors	4 Quarterly meetings
b) Board Audit Committee	4 Quarterly meetings
c) Board Human Resource & Remuneration Committee	1 Annual meeting
15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with

International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations given below:

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

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Karachi: October 02, 2026



Shariah Advisor's Report

For the period ended June 30, 2026

We have conducted the Shariah review of the First Tri-Star Modaraba for the period ended June 30, 2026, by the requirements of the Shariah Compliance and Shariah Audit Mechanism for Modarabas. Based on our review, we report the following:

REVIEW OF OPERATIONS:

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

BANK ACCOUNTS:

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

EQUITY INVESTMENTS:

The major equity investments of the Modarabah were made in Shariah-compliant securities. However, certain investments in Tri-Power Limited (under note # 7.1), Kohinoor Industries Limited (under note # 8.1), Saudi Pak Leasing Company Limited (under note # 8.1), Innovative Investment Bank and Business & Industries Insurance were found to be non-compliant. These investments cannot currently be disposed of due to suspension of trading, except for Tri-Star Power Limited.

MARKETING MATERIAL:

The marketing material reviewed was found to contain elements that are not in accordance with Shariah principles. The material should be thoroughly reviewed and revised to ensure that all content, visuals, messaging, and promotional elements are fully Shariah compliant prior to publication or circulation.

DIVIDEND PURIFICATION:

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

TAKAFUL:

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

RECOMMENDATION:

The Modaraba is advised to ensure the following:

1. Obtain prior approval from the Shariah Advisor for all marketing materials and agreements before execution.
2. Promptly dispose of its shares in Tri-Star Power Ltd. to maintain ongoing Shariah compliance.
3. Convert conventional bank accounts into Islamic bank accounts.

Mufti Ubaid ur Rahman Zubairi
Director

Mufti Abdullah Zeeshan
Shariah Research Scholar

FIRST TRI-STAR MODARABA
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026
(Expressed in Rupees)

	Note	2 0 2 6	Restated 2 0 2 5	Restated 2 0 2 4
ASSETS				
Non Current Assets				
Fixed assets	5	2,038,304	4,983,914	5,760,284
Right of use asset	6	-	17,962,643	8,282,004
Long term deposit		58,500	58,500	58,500
Long term investments	7	342,560,121	555,980,342	480,130,937
		<u>344,656,925</u>	<u>578,985,399</u>	<u>494,231,725</u>
Current Assets				
Short term investments	8	601,883	490,113	394,252
Advance income tax		6,358,563	3,714,421	5,325,931
Advances, deposits and other receivables	9	8,012,578	412,578	63,745,418
Cash and bank balances	10	1,047,418	2,993,562	1,609,357
		<u>16,020,442</u>	<u>7,610,674</u>	<u>71,074,958</u>
Total Assets		<u><u>360,677,367</u></u>	<u><u>586,596,073</u></u>	<u><u>565,306,683</u></u>
EQUITIES AND LIABILITIES				
Capital and Reserves				
Authorized certificate capital 40,000,000 (2025: 40,000,000) Modaraba Certificates of Rs. 10 each		<u>400,000,000</u>	<u>400,000,000</u>	<u>400,000,000</u>
Issued, subscribed and paid-up certificate capital	11	211,631,040	211,631,040	211,631,040
Reserves	12	147,614,007	141,746,639	199,102,738
Certificate holders' equity		<u>359,245,047</u>	<u>353,377,679</u>	<u>410,733,778</u>
(Deficit) / surplus on revaluation of investments	13	(86,605,049)	107,231,253	42,677,778
Non Current Liabilities				
Security deposits	14	3,230,000	2,730,000	2,280,000
Lease liability	15	-	-	5,418,884
Deferred tax liability - net	16	295,050	19,080,880	7,862,833
		<u>3,525,050</u>	<u>21,810,880</u>	<u>15,561,717</u>
Current Liabilities				
Accrued and other liabilities	17	40,456,344	43,011,151	29,509,594
Current portion of lease liability		-	20,033,677	4,052,655
Provision for taxation		4,514,898	1,590,356	447,145
Unclaimed dividend		39,541,077	39,541,077	8,054,502
Unpaid dividend		-	-	54,269,514
		<u>84,512,319</u>	<u>104,176,261</u>	<u>96,333,410</u>
Total Liabilities		<u><u>88,037,369</u></u>	<u><u>125,987,141</u></u>	<u><u>111,895,127</u></u>
Total Equities and Liabilities		<u><u>360,677,367</u></u>	<u><u>586,596,073</u></u>	<u><u>565,306,683</u></u>
Contingencies and Commitments	18			

The annexed notes from 1 to 37 form an integral part of these financial statements.

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

Chief Executive Officer

Director

Director

Chief Financial Officer

FIRST TRI-STAR MODARABA
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

	Note	2 0 2 6	Restated 2 0 2 5
Income from academic activities	19	23,082,893	37,570,611
Administrative expenses	20	(39,237,820)	(56,782,181)
		(16,154,927)	(19,211,570)
Other income	21	28,924,788	7,708,491
Financial charges	22	(1,114,989)	(2,110,199)
Operating profit / (loss)		11,654,872	(13,613,277)
Modaraba Management Company's fee	17.3	(1,165,487)	-
Sindh sales tax on Modaraba Management Company's fee	17.4	(174,823)	-
		10,314,562	(13,613,277)
Provision for Workers' Welfare Fund		(206,291)	-
Profit / (loss) before levy and taxation		10,108,271	(13,613,277)
Levy	23	(4,514,898)	(1,590,356)
Profit / (loss) before taxation		5,593,373	(15,203,633)
Taxation	24	(686,317)	173,743
Profit / (loss) after taxation		4,907,056	(15,029,891)
Earning / (loss) per certificate - basic and diluted	25	0.23	(0.71)

The annexed notes from 1 to 37 form an integral part of these financial statements.

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

Chief Executive Officer	Director	Director	Chief Financial Officer
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**FIRST TRI-STAR MODARABA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)**

	Note	2 0 2 6	Restated 2 0 2 5
Profit / (loss) after taxation		4,907,056	(15,029,891)
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss			
(Deficit) / surplus on revaluation of investments classified at fair value through other comprehensive income - net of deferred tax		(193,836,302)	64,553,475
Total comprehensive (loss) / income for the year		<u>(188,929,246)</u>	<u>49,523,584</u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

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

Chief Executive Officer

Director

Director

Chief Financial Officer

FIRST TRI-STAR MODARABA
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

	Note	2 0 2 6	2 0 2 5
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before levy and taxation		10,108,271	(13,613,277)
Adjustments for non-cash and other items:			
Depreciation on fixed assets		227,216	932,370
Depreciation on right of use assets		17,962,643	11,051,823
Provision for penalties		-	3,800,000
Provision for advance tax		-	2,287,259
Gain on disposal of fixed assets		(781,606)	-
Dividend income		(28,140,700)	(7,470,490)
Financial charges		1,114,989	2,110,199
		(9,617,458)	12,711,161
Operating profit before working capital changes		490,813	(902,117)
(Increase) / decrease in current assets			
Advances, deposits and other receivables		(7,600,000)	63,332,839
(Decrease) / increase in current liabilities			
Accrued and other liabilities		(2,554,807)	2,268,453
Security deposits		500,000	450,000
		(2,054,807)	2,718,453
Cash generated from operating activities		(9,163,994)	65,149,175
Financial charges paid		(21,802)	(11,003)
Income tax paid		(4,234,496)	(1,122,895)
Net cash (used in) / generated from operating activities		(13,420,292)	64,015,277
CASH FLOW FROM INVESTING ACTIVITIES			
Dividend received		28,140,700	7,470,490
Proceeds from disposal of fixed assets		3,500,000	-
Capital expenditure		-	(156,000)
Net cash generated from investing activities		31,640,700	7,314,490
CASH FLOW FROM FINANCING ACTIVITIES			
Lease rentals paid		(20,166,552)	(12,269,520)
Dividend paid		-	(57,676,043)
Net cash used in financing activities		(20,166,552)	(69,945,563)
Net (decrease) / increase in cash and cash equivalents		(1,946,144)	1,384,205
Cash and cash equivalent at the beginning of the year		2,993,562	1,609,357
Cash and cash equivalent at the end of the year		1,047,418	2,993,562

The annexed notes from 1 to 37 form an integral part of these financial statements.

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

Chief Executive Officer

Director

Director

Chief Financial Officer

FIRST TRI-STAR MODARABA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

	Issued, subscribed and paid-up certificate capital	Capital reserve	Revenue reserve		Total certificate holders' equity
		Statutory reserve	General reserve	Unappropriated profits	
Balance as at July 01, 2024	211,631,040	92,992,280	10,000,000	96,110,458	410,733,778
Loss for the year	-	-	-	(15,029,891)	(15,029,891)
Other comprehensive income	-	-	-	-	-
	-	-	-	(15,029,891)	(15,029,891)
Interim dividend for the year ended June 30, 2024	-	-	-	(42,326,208)	(42,326,208)
Balance as at June 30, 2025	<u>211,631,040</u>	<u>92,992,280</u>	<u>10,000,000</u>	<u>38,754,359</u>	<u>353,377,679</u>
Balance as at July 01, 2025	211,631,040	92,992,280	10,000,000	38,754,359	353,377,679
Prior period adjustment	-	-	-	960,312	960,312
Profit for the year	-	-	-	4,907,056	4,907,056
Other comprehensive income	-	-	-	-	-
	-	-	-	4,907,056	4,907,056
Balance as at June 30, 2026	<u>211,631,040</u>	<u>92,992,280</u>	<u>10,000,000</u>	<u>44,621,727</u>	<u>359,245,047</u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

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

Chief Executive Officer

Director

Director

Chief Financial Officer

FIRST TRI-STAR MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

1 LEGAL STATUS AND NATURE OF THE BUSINESS

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.2 BASIS OF MEASUREMENT

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements have been presented in Pakistani Rupee, which is the functional and presentation currency of the Modaraba.

2.4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

	Note
- Useful lives, pattern of flow of economic benefits and impairment	4.1 and 5
- Impairment of non financial assets	4.3.4
- Impairment of financial assets	4.3.4
- Current and deferred income taxes	4.5 and 24
- Provisions and contingences	4.7 and 4.16
- Leases - estimating the incremental borrowing rate	4.8 and 15

FIRST TRI-STAR MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

The following amendments are effective for the year ended June 30, 2026. These amendments are either not relevant to the Modaraba's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

Standards / amendments / interpretations	Effective date (annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2026

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

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, amendments and interpretations are either not relevant to the Modaraba's operations or are not expected to have significant impact on the Modaraba's financial statements other than certain additional disclosures.

Standards / amendments / interpretations	Effective date (annual periods beginning on or after)
- Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
- Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
- Amendments to IFRS 9 'Financial Instruments' - Amendment regarding change when financial assets or liabilities are recognized and derecognized on settlement by Electronic payments	January 01, 2026
- Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027
- Annual improvements to IFRS Accounting Standards 9, 10, and 7	January 01, 2027
- IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2026
- IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

FIRST TRI-STAR MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

3.3 Certain annual improvements have also been made to a number of IFRSs and IASs

- IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and all other expenses which are directly attributable for bringing the asset to its intended use, location and condition.

Depreciation is charged to income applying the reducing balance method, whereby the depreciable amount of an asset is written off over its estimated useful life. Depreciation is charged at rates stated in note 5. Depreciation on additions is charged from the date the asset is put into use and is discontinued from the date it is retired or disposed of.

The asset's residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each financial year end. The effect of any adjustment to residual values, useful lives and methods is recognized prospectively as a change in accounting estimate.

An item is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss, in the period the asset is derecognized. Maintenance and normal repairs are charged to statement of profit or loss as and when incurred, whereas major renewals and improvements to assets are

4.2 Advances and deposits

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

4.3 Financial Instruments

4.3.1 Initial recognition and measurement

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

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

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

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4.3.2 Financial assets

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

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

Financial assets measured at amortised cost

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

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

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

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

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

Debt instrument

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

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

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

Equity instrument

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

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

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Derecognition of financial asset

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

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

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

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

4.3.3 Financial Liabilities

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

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

Derecognition of financial liabilities

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

Offsetting of financial assets and financial liabilities

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

4.3.4 Impairment

a) Financial assets

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

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

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

b) Non-Financial assets

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

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

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

4.4 Income from academic activities

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

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

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

4.5 Taxation

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

4.5.1 Current

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

4.5.2 Levy

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

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

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4.5.3 Deferred

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

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward unused tax assets and unused tax losses can be utilized. The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax asset and liability is measured at the tax rate that is expected to apply to the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

4.6 Borrowings and their costs

Borrowing costs are recognized as an expense in the period in which these are incurred, except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

4.7 Provisions

Recognition and measurement

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

Judgement and estimates

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

4.8 Leases

Right of use asset

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

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Lease liability

At the commencement date of the lease, the Modaraba recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Modaraba uses the incremental borrowing rate at the lease commencement date if the profit rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

4.9 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand and balance with the banks.

4.10 Accrued and other liabilities

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

4.11 Foreign currency translation

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

4.12 Profit distribution and other appropriations of profit

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

4.13 Related party transactions

Transactions with related parties are based on the policy that all transactions between the company and the related parties are carried out at agreed terms.

4.14 Certificate capital and earning per certificate

The Modaraba presents basic and diluted earnings per certificate data for its ordinary certificates. Basic earnings per certificate are calculated by dividing the profit or loss attributable to ordinary certificate holders of the Modaraba by the weighted average number of certificates outstanding during the year. Diluted earnings per certificate are determined by adjusting the profit or loss attributable to ordinary certificate holders and the weighted average number of ordinary certificates outstanding for the effects of all dilutive potential ordinary certificates. Ordinary certificates are classified as equity and are recorded at their face value. Incremental costs directly attributable to the issue of new certificates or options are shown in equity as a deduction, net of tax, from the proceeds.

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4.15 Segment reporting

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

4.16 Contingencies and commitments

Contingent liabilities are not recognized in the statement of financial position but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote, comprising possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events beyond the Modaraba's control, or present obligations that are not recognized because an outflow of economic resources is not probable or the amount cannot be measured with sufficient reliability; contingent assets are not recognized but are disclosed when an inflow of economic benefits is probable; and commitments, comprising firm contracts for capital expenditure, approved but unutilized Shari'ah-compliant financing facilities, and other contractual undertakings, are disclosed at their committed or contracted amounts when they become irrevocable.

4.17 Prior Period Error – Restatement of Comparative Information

During the current year, the Modaraba identified an error in the measurement of deferred tax on surplus arising from certain investments classified at fair value through other comprehensive income. In prior periods, taxable temporary differences were measured at the normal corporate tax rate of 29% instead of the applicable capital gains tax rate of 15%, based on the expected recovery through disposal of the investments.

In accordance with IAS 8, the comparative amounts have been retrospectively restated. Consequently, the deferred tax liability decreased by Rs. 7,610,082 as at June 30, 2024 and Rs. 18,193,196 as at June 30, 2025, with corresponding increases in surplus on revaluation of investments. Comparative other comprehensive income for the year ended June 30, 2025 increased by Rs. 10,583,114.

The restatement has no effect on profit or loss, cash flows or the carrying amounts of the underlying investments. The effect on the relevant financial statement line items is presented below.

	Before Restatement	Effect of Restatement	After Restatement
As at June 30, 2025			
Statement of Financial Position			
Deferred tax liability - net	37,274,076	(18,193,196)	19,080,880
(Deficit) / surplus on revaluation of investments	89,038,057	18,193,196	107,231,253
Statement of Profit or Loss and Other Comprehensive Income			
(Deficit) / Surplus on revaluation of investments classified at fair value through other comprehensive income - net	53,970,361	10,583,114	64,553,475
As at July 1, 2024			
Statement of Financial Position			
Deferred tax liability - net	15,472,915	(7,610,082)	7,862,833
(Deficit) / Surplus on revaluation of investments	35,067,696	7,610,082	42,677,778
Statement of Profit or Loss and Other Comprehensive Income			
(Deficit) / Surplus on revaluation of investments classified at fair value through other comprehensive income - net	38,415,283	7,610,082	46,025,365

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5 FIXED ASSETS

Particulars	Air-conditioners and refrigerators	Motor vehicles	Furniture and fixtures	Office equipment	Computer	Electric installations	Kitchen appliances	Total
Balance as at July 1, 2025								
Cost	119,700	6,311,543	4,807,579	583,919	232,700	366,200	63,990	12,485,631
Accumulated depreciation	(95,055)	(3,592,823)	(2,899,617)	(467,426)	(229,544)	(191,048)	(26,204)	(7,501,717)
Net book value	24,645	2,718,720	1,907,962	116,493	3,156	175,152	37,786	4,983,914
Additions	-	-	-	-	-	-	-	-
Disposals								
Cost	-	(5,378,606)	-	-	-	-	-	(5,378,606)
Accumulated depreciation	-	2,660,212	-	-	-	-	-	2,660,212
	-	(2,718,394)	-	-	-	-	-	(2,718,394)
Depreciation charge for the year	(2,465)	(65)	(190,796)	(11,649)	(947)	(17,515)	(3,779)	(227,216)
Closing net book value	22,180	261	1,717,166	104,844	2,209	157,637	34,007	2,038,304
Balance as at June 30, 2026								
Cost	119,700	932,937	4,807,579	583,919	232,700	366,200	63,990	7,107,025
Accumulated depreciation	(97,520)	(932,676)	(3,090,413)	(479,075)	(230,491)	(208,563)	(29,983)	(5,068,721)
Net book value	22,180	261	1,717,166	104,844	2,209	157,637	34,007	2,038,304
Balance as at July 1, 2024								
Cost	119,700	6,311,543	4,651,579	583,919	232,700	366,200	63,990	12,329,631
Accumulated depreciation	(92,317)	(2,913,143)	(2,687,621)	(454,482)	(228,191)	(171,587)	(22,006)	(6,569,347)
Net book amount	27,383	3,398,400	1,963,958	129,437	4,509	194,613	41,984	5,760,284
Additions	-	-	156,000	-	-	-	-	156,000
Disposals								
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Depreciation charge for the year	(2,738)	(679,680)	(211,996)	(12,944)	(1,353)	(19,461)	(4,198)	(932,370)
Closing net book value	24,645	2,718,720	1,907,962	116,493	3,156	175,152	37,786	4,983,914
Balance as at June 30, 2025								
Cost	119,700	6,311,543	4,807,579	583,919	232,700	366,200	63,990	12,485,631
Accumulated depreciation	(95,055)	(3,592,823)	(2,899,617)	(467,426)	(229,544)	(191,048)	(26,204)	(7,501,717)
Net book amount	24,645	2,718,720	1,907,962	116,493	3,156	175,152	37,786	4,983,914
Depreciation Rate	10%	20%	10%	10%	30%	10%	10%	

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6	RIGHT OF USE OF ASSET	Note	2 0 2 6	2 0 2 5
	Balance as at July 1,		17,962,643	8,282,004
	Additions during the year		-	20,732,462
	Depreciation charge for the year	20	(17,962,643)	(11,051,823)
	Balance as at June 30,		-	17,962,643

- 6.1** The Modaraba entered into a commercial lease agreement on July 1, 2023, with Central Depository Company of Pakistan Limited (CDC), as Trustee of Image REIT, represented by Sinolink REIT Management Company Limited as Property Manager, for office premises comprising 4,040 square feet (1,200 sq. ft. on the Ground Floor and 2,840 sq. ft. on the 2nd Floor) located at Image Tower, Plot No. A/33, Central Commercial Area, Block 7/8, KCHSU, Main Shahrah-e-Faisal, Karachi.

The lease is for a fixed term of three years, from July 1, 2023 to June 30, 2026, with renewal subject to mutual consent. The monthly rent commenced at Rs. 404,000 (Rs. 100 per sq. ft.) and is subject to 10% annual escalation from July 1 each year. A refundable security deposit of Rs. 404,000 was paid at inception. Common Area Maintenance (CAM) charges and utilities are payable based on actual/pro-rata costs and are recognized in profit or loss as incurred, as they are excluded from lease liability measurement under IFRS 16. The Modaraba may terminate the lease after the initial 12-month lock-in period by providing three months' prior written notice.

7	LONG TERM INVESTMENTS	Note	2 0 2 6	2 0 2 5
	At fair value through other comprehensive income:			
	Investment in shares of listed Companies	7.1	56,121	50,342
	Units of listed REIT Scheme	7.2	342,504,000	555,930,000
			342,560,121	555,980,342

7.1 Shares and certificates of listed companies and associated undertakings

No. of shares		Name of company/ associated undertaking	2 0 2 6		2 0 2 5	
2 0 2 6	2 0 2 5		Cost	Fair value	Cost	Fair value
1,925	1,925	Image Pakistan Limited	19,426	49,973	19,426	47,086
400	400	Tri-Star Power Limited	8,634	6,148	8,634	3,256
			28,060	56,121	28,060	50,342

7.2 Units of listed REIT Scheme

No. of units		Name of REIT Scheme	2 0 2 6		2 0 2 5	
2 0 2 6	2 0 2 5		Cost	Fair value	Cost	Fair value
42,600,000	42,600,000	Image REIT	426,000,000	342,504,000	426,000,000	555,930,000

The per share value of the quoted investment in Image REIT is based on the closing market price quoted on the Pakistan Stock Exchange Limited as at the reporting date, amounting to Rs. 8.04 per share (2025: Rs. 13.05 per share).

8	SHORT TERM INVESTMENTS	Note	2 0 2 6	2 0 2 5
	At fair value through other comprehensive income:			
	Shares and certificates of listed companies	8.1	601,883	490,113

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8.1 Shares and certificates of listed companies

No. of shares/certificates		Name of company	2026		2025	
2026	2025		Cost	Fair value	Cost	Fair value
437	437	OLP Modaraba	7,305	10,912	7,305	8,202
70	70	First IBL Modaraba	1,860	798	1,860	336
132	132	Saudi Pak Leasing Company Limited	2,349	-	2,349	-
394	394	Sana Industries Limited	13,849	14,897	13,849	9,870
140	140	Nishat Mills Limited	3,533	22,100	3,533	17,623
120	120	Din Textile Mills Limited	-	9,731	-	7,123
127	127	Jubilee Spinning & Weaving Mills Limited	2,004	6,537	2,004	1,519
301	301	Kohinoor Industries Limited	11,264	15,246	11,264	3,344
259	259	Packages Limited	7,816	209,774	7,816	143,636
1,616	1,616	Wafi Energy Pak Limited. (Shell Pak.	88,544	311,888	88,544	298,460
			138,524	601,883	138,524	490,113

8.2 Shares and certificates of delisted companies

No. of shares/certificates		Name of company	2026		2025	
2026	2025		Cost	Fair value	Cost	Fair value
400	400	Islamic Investment Bank Limited	2,757	-	2,757	-
5	5	Innovative Investment Bank Limited	4,545	-	4,545	-
102,350	102,350	Mohib Exports Limited	2,436,070	-	2,436,070	-
500	500	Business & Industries insurance Company Limited	5,000	-	5,000	-
230	230	Mohammad Farooq Textile Mills Limited.	7,743	-	7,743	-
264	264	Dewan Salman Fibre Limited	6,622	-	6,622	-
600	600	Mian Mohammad Sugar Mills Limited	6,000	-	6,000	-
17,671	17,671	Mohib Textile Mills Limited	897,530	-	897,530	-
10,000	10,000	Sunshine Cloth Limited	160,900	-	160,900	-
			3,527,167	-	3,527,167	-

The fair value of investments of companies which are under suspension and delisted by Pakistan Stock Exchange Limited is taken as nil.

9	ADVANCES, DEPOSITS AND OTHER RECEIVABLES	Note	2026	2025
	Advance for purchases	9.1	7,600,000	-
	Security deposit - Image REIT		404,000	404,000
	Other receivables		8,578	8,578
			8,012,578	412,578

9.1 This represents an advance payment made to Delta Power for the procurement and installation of solar panels. The balance is unsecured and considered good.

10	CASH AND BANK BALANCES	Note	2026	2025
	Cash in hand		765,578	173,930
	Cash at bank			
	- Savings account	10.1	14,639	13,865
	- Current account		267,201	2,805,767
			281,840	2,819,632
			1,047,418	2,993,562

10.1 This carries profit at rate ranging from 10.5% to 9.5% (2025: 20.6% to 20.5%).

11 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

2026	2025		2026	2025
(No of certificates)				
11,900,000	11,900,000	Modaraba Certificates of Rs. 10 each fully paid in cash.	119,000,000	119,000,000
2,180,000	2,180,000	Bonus Certificates of Rs. 10 each issued as fully paid.	21,800,000	21,800,000
7,083,104	7,083,104	Modaraba Certificates of Rs.10 issued for acquisition.	70,831,040	70,831,040
			211,631,040	211,631,040

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11.1 As at June 30, 2026, certificates held by associated companies/undertakings and Directors/CEO aggregate to 9,808,089 certificates (2025: 9,808,089 certificates), representing 46.344% (2025: 46.344%) of the total certificate capital of the Modaraba, broken down as follows:

Associated Companies / Undertakings: 5,406,187 certificates (2025: 5,406,187 certificates) representing 25.544% (2025: 25.544%).

Chief Executive Officer and Directors: 4,401,902 certificates (2025: 4,401,902 certificates) representing 20.800% (2025: 20.800%).

11.2 There are no agreements with certificate holders for voting rights, board selection, rights of first refusal, and block voting.

12	RESERVES	Note	2 0 2 6	2 0 2 5
	Capital reserves			
	Statutory Reserve		92,992,280	92,992,280
	Revenue reserves			
	General Reserve		10,000,000	10,000,000
	Accumulated profit		44,621,727	38,754,359
			54,621,727	48,754,359
			147,614,007	141,746,639

13	SURPLUS ON REVALUATION OF INVESTMENTS	Note	2 0 2 6	Restated 2 0 2 5
	Market value of investments		343,162,004	556,470,455
	Less: cost of investments		(429,693,751)	(429,693,751)
	Impact of deferred tax		(73,302)	(19,545,451)
			(86,605,049)	107,231,253
	Surplus on revaluation at beginning of the year		107,231,253	42,677,778
	Surplus on revaluation classified at other comprehensive income during the year - net of tax		(193,836,302)	64,553,475
			(86,605,049)	107,231,253

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

14 SECURITY DEPOSITS

This balance represents security deposits received from students at the time of admission, which are refundable upon completion of the course and withdrawal from the institution.

15	LEASE LIABILITY AGAINST RIGHT OF USE ASSET	Note	2 0 2 6	2 0 2 5
	Balance as at July 1,		20,033,677	9,471,539
	Prior year adjustment		(960,312)	-
	Additions during the year		-	20,732,462
	Finance cost for the year		1,093,187	2,099,196
	Lease rentals paid		(20,166,552)	(12,269,520)
	Balance as at June 30,		-	20,033,677
	Less: Current portion		-	(20,033,677)
			-	-

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The lease liability was initially measured at the present value of the lease payments discounted using the Modaraba's incremental borrowing rate ranging between 19.22% and 21.22% per annum, and subsequently measured at amortised cost using the effective interest rate method. As at June 30, 2026, the lease liability stands fully settled.

	2 0 2 6		2 0 2 5	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than one year	-	-	21,126,864	20,033,667
years	-	-	-	-

16 DEFERRED TAX LIABILITY - NET

	Note	2 0 2 6	Restated 2 0 2 5
Deferred tax liability on taxable temporary differences		295,050	24,890,646
Deferred tax asset on deductible temporary differences		-	(5,809,766)
		295,050	19,080,880

16.1 Taxable temporary differences in respect of:

Fixed assets	221,748	136,030
Right of use asset	-	5,209,167
Surplus on revaluation of long term investments	-	19,492,711
Surplus on revaluation of short term investments	73,302	52,738
	295,050	24,890,646

16.2 Deductible temporary differences in respect of:

Lease liability	-	(5,809,766)
-----------------	---	-------------

16.3 Movement during the year is analysed as follows:

	Balance as at July 1, 2025 (Restated)	Recognized in statement of profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2026
Fixed assets	136,030	85,718	-	221,748
Right of use asset	5,209,167	(5,209,167)	-	-
Surplus on revaluation of long term investments	19,492,711	-	(19,492,711)	-
Surplus on revaluation of short term investments	52,738	-	20,564	73,302
Lease liability	(5,809,766)	5,809,766	-	-
	19,080,880	686,317	(19,472,147)	295,050

	Balance as at July 1, 2024 (Restated)	Recognized in statement of profit or loss	Recognized in other comprehensive income (Restated)	Balance as at June 30, 2025 (Restated)
Fixed assets	54,139	81,891		136,030
Right of use asset	2,401,781	2,807,386		5,209,167
Surplus on revaluation of long term investments	8,115,300		11,377,411	19,492,711
Surplus on revaluation of short term investments	38,359		14,379	52,738
Lease liability	(2,746,746)	(3,063,020)		(5,809,766)
	7,862,833	(173,743)	11,391,790	19,080,880

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- 16.4** Deferred tax is measured at the tax rates expected to apply when the temporary differences reverse, based on tax rates enacted or substantively enacted at the reporting date. Accordingly, deferred tax relating to surplus arising on investments subject to capital gains tax is measured using the applicable capital gains tax rate of 15%, while other temporary differences are measured using the applicable normal tax rate of 29%. As at June 30, 2026, the Company has not recognised a deferred tax asset of Rs. 12,520,322 arising from deductible temporary differences relating to surplus on revaluation of long-term investments, as it is not probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilised.

17	ACCRUED AND OTHER LIABILITIES	Note	2 0 2 6	2 0 2 5
	Accrued expenses		5,221,224	8,679,583
	Withholding income tax	17.1	25,448,543	25,477,718
	Zakat payable	17.2	7,259,179	7,873,053
	Management fee	17.3	1,165,487	-
	Sales tax payable on management fees	17.4	868,630	693,807
	Workers' welfare fund		493,281	286,990
			40,456,344	43,011,151

- 17.1** This represents income tax withheld at source under the provisions of the Income Tax Ordinance, 2001 on dividend payments, which is yet to be deposited into the Government treasury.

- 17.2** This represents Zakat deducted at source from dividend distributions in accordance with the Zakat and Ushr Ordinance, 1980, pending remittance to the Central Zakat Fund.

- 17.3** In accordance with Section 18 of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Management Company is entitled to remuneration of up to 10% per annum of the net annual profits of the Modaraba. The management fee for the year ended June 30, 2026 has been recognized at 10% (June 30, 2025: nil) of the eligible profit for the year.

- 17.4** Sales tax on services has been levied at the rate of 15% (June 30, 2025: nil) on the remuneration of the Modaraba Management Company under the provisions of the Sindh Sales Tax on Services Act, 2011, and the rules framed thereunder.

18 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as on June 30, 2026 (June 30, 2025 : Nil)

19	INCOME FROM ACADEMIC ACTIVITIES	Note	2 0 2 6	2 0 2 5
	Tuition fee		21,496,893	34,665,250
	Admission fee		890,000	1,167,000
	Short courses fee		570,000	352,000
	Associate degree program certificate fee		126,000	1,386,361
			23,082,893	37,570,611

20 ADMINISTRATIVE EXPENSES

	Salaries, wages, and other benefits	20.1	13,615,076	21,237,522
	Depreciation on right of use asset	6	17,962,643	11,051,823
	Provision for penalties		-	3,800,000
	Fees and subscription		2,912,727	2,872,315
	Electricity expenses		1,594,266	5,075,614
	Janitorial expenses		1,207,736	1,876,647
	Depreciation on fixed assets	5	227,216	932,370
	Auditor remuneration	20.2	506,520	460,000

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IT Services		378,000	378,000
Registrar services		268,801	330,601
Water expenses		229,760	218,400
Advertisement		39,750	1,238,367
Endowment fund contribution	20.3	-	3,800,333
Provision for advance tax		-	2,287,259
Watch and ward		-	450,000
Repair and maintenance		-	192,500
Miscellaneous		295,325	580,430
		39,237,820	56,782,181

20.1 These include employees on contractual basis.

20.2 Auditor remuneration

Audit fee	459,000	418,182
Out of pocket	47,520	41,818
	506,520	460,000

20.3 Endowment fund contribution

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

21 OTHER INCOME	Note	2 0 2 6	2 0 2 5
Dividend income		28,140,700	7,470,490
Gain on disposal of fixed asset		781,606	-
Markup on saving account		1,289	7,751
Reversal of prior year liability		1,193	226,000
Canteen sales		-	4,250
		28,924,788	7,708,491

22 FINANCIAL CHARGES

Finance cost on lease liability	1,093,187	2,099,196
Bank charges	21,802	11,003
	1,114,989	2,110,199

23 LEVY

This represents portion of minimum tax paid under section 113, final tax on dividend income under section 150 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

24 TAXATION	Note	2 0 2 6	2 0 2 5
Income tax		-	-
Deferred tax expense / (income)		686,317	(173,743)
		686,317	(173,743)

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

	2 0 2 6	2 0 2 5
Current tax liability for the year as per applicable tax laws	4,514,898	1,590,356

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Portion of current tax liability as per tax laws, representing income tax under IAS12

- -

Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37

(4,514,898) **(1,590,356)**

- -

24.2 The aggregate of minimum/final tax and income tax amounting to Rs. 4.51 million (2025: Rs. 1.59 million) represents the tax liability of the Modaraba calculated under the relevant provisions of the Income Tax Ordinance, 2001

24.3 Provision for taxation has been made in accordance with section 113 & 150 of Income Tax Ordinance, 2001. There is no relationship between aggregate income tax expense and accounting profit before income tax. Accordingly, no numerical reconciliation is presented.

24.4 The Modaraba computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. During the year, the Finance Act, 2025, enacted a turnover tax rate of 1.25% (2025: 1.25%) and the normal tax rate of 29% (2025: 29%); therefore, provision for the current tax is made @ 1.25% (2025: 1.25%) of the income/turnover.

25 EARNING / (LOSS) PER CERTIFICATE - BASIC AND DILUTED

25.1 Basic earning / (loss) per certificate

Basic earning / (loss) per certificate are calculated by dividing the net loss for the year by the weighted average number of certificates outstanding during the year as follows:

	2 0 2 6	2 0 2 5
Profit / (loss) for the year	4,907,056	(15,029,891)
No. of ordinary certificates	21,163,104	21,163,104
Earning / (loss) per certificate	0.23	(0.71)

25.2 Diluted

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

26 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Transactions during the year

Name of related parties	Nature of relationship	Nature of transaction	2 0 2 6	2 0 2 5
Image Pakistan Limited	Associated undertaking	Advance adjusted against expenses	-	226,000
		Electricity expenses charged to associated company	6,000,000	6,000,000
		Electricity expenses paid by associated company on behalf of the Modaraba	7,594,266	7,543,814
		Payment against allocated expenses	2,520,241	-
Image REIT	Associated undertaking	Lease rentals paid	20,166,552	12,269,520
Habib Jamal & Company	Associated undertaking	Advance paid during the year	-	6,350,000
		Advance adjusted against purchase of solar panels	-	69,695,000
Imperial Tutorial College Endowment Fund	Associated undertaking	Contribution to endowment fund	-	3,800,333

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Balance as of the year end

Name of related parties	Nature of relationship	Nature of balance	2026	2025
Image Pakistan Limited	Associated undertaking	Payable against allocated expenses	-	(925,975)

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

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

27 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	2026			2025		
	Chief Executive Officer	Executives	Total	Chief Executive Officer	Executives	Total
Baisc Salary	-	1,755,555	1,755,555	-	1,755,555	1,755,555
Allowances and other benefits	-	877,778	877,778	-	1,465,454	1,465,454
Total	-	2,633,333	2,633,333	-	3,221,009	3,221,009
Number of persons	1	1	2	1	2	3

28 CAPITAL MANAGEMENT

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors of management company monitors the return on capital, which the Modaraba defines as profit after taxation divided by total Certificate holders' equity. The Board of Directors also monitors the level of dividend to Ordinary Certificate Holders. The Modaraba manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. As at reporting date, Modaraba has running musharaka facility, Certificate of Musharaka and has sufficient surplus funds to manage the affairs of the Modaraba effectively.

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

	2026	2025
Debt	-	-
Equity	359,245,047	353,377,679
Debt to equity ratio	Not geared	Not geared

29 FINANCIAL RISK MANAGEMENT

The Modaraba's objective in managing risks is the creation and protection of Certificate holders' value. Risk is inherent in the Modaraba activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Modaraba's continuing profitability. The Modaraba is exposed to market risk (which includes profit rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds. The Modaraba primarily invests in diversified portfolio of listed securities and unlisted REIT scheme. Such investments are subject to varying degrees of risk, which emanate from various factors that include but are not limited to:

- Credit risk
- Liquidity risk
- Market risk

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29.1 Credit risk

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

Credit risk of the Modaraba arises principally from the long term deposits, long term investments, short term investments and deposits with banks and financial institutions. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2026	2025
Long term investments	342,560,121	555,980,342
Short term investments	601,883	490,113
Long term deposit	58,500	58,500
Security deposit - Image REIT	404,000	404,000
Other receivables	8,578	8,578
Bank balances	281,840	2,819,632
	343,914,922	559,761,165

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

Bank	Rating		Agency	2026	2025
	Short term	Long term			
Al-Baraka (Pakistan) Limited	A-1	A+	JCR-VIS	225,071	1,336,337
Bank Al-Habib Limited	A-1+	AAA	PACRA	31,925	1,459,225
Habib Bank Limited	A-1+	AAA	JCR-VIS	14,639	13,865
National Bank of Pakistan	A-1+	AAA	JCR-VIS	10,205	10,205
				281,840	2,819,632

29.2 Liquidity risk

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

A range of tools is used for the management of liquidity. These comprises commitments and under writings guidelines, key balance sheet ratios and medium-term funding requirements.

Moreover, day-to-day monitoring of future cash flows takes place and suitable levels of liquid reserves are maintained by the business.

Upto one year	One year to five years	Over five years	Total
---------------	------------------------	-----------------	-------

As at June 30, 2026

Financial assets

Long term investments	-	342,560,121	-	342,560,121
Long term deposit	-	58,500	-	58,500
Short term investments	601,883	-	-	601,883
Advances, deposits and other receivable	412,578	-	-	-
Cash and bank balances	1,047,418	-	-	1,047,418
(a)	2,061,879	342,618,621	-	344,267,922

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Financial liabilities

Liability against right of use assets	-	-	-	-
Accrued expenses	5,221,224	-	-	5,221,224
Security deposits	-	3,230,000	-	3,230,000
Unclaimed dividend	39,541,077	-	-	39,541,077
(b)	44,762,301	3,230,000	-	47,992,301
(a-b)	(42,700,422)	339,388,621	-	296,275,621
	Upto one year	One year to five years	Over five years	Total

As at June 30, 2025

Financial assets

Long term investments	-	555,980,342	-	555,980,342
Long term deposit	-	58,500	-	58,500
Short term investments	490,113	-	-	490,113
Advances, deposits and other receivable	412,578	-	-	-
Cash and bank balances	2,993,562	-	-	2,993,562
(a)	3,896,253	556,038,842	-	559,522,517

Financial liabilities

Liability against right of use assets	20,033,677	-	-	20,033,677
Accrued expenses	8,679,583	-	-	8,679,583
Security Deposit	-	2,730,000	-	2,730,000
Unclaimed dividend	39,541,077	-	-	39,541,077
(b)	68,254,337	2,730,000	-	70,984,337
(a-b)	(64,358,084)	553,308,842	-	488,538,180

29.3 Market risk

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

Exposure

The Modaraba is exposed to changes in the fair values of investments as a result of changes in prices of securities. As at June 30, 2026, the fair value of equity securities exposed to price risk was as follows:

	2026		2025	
	Cost	Fair value	Cost	Fair value
Shares of listed Companies	166,584	658,004	166,584	540,455

Management of market risks

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of the reporting date the Company held balance in saving account amounting to Rs. 14,639 (2025: Rs. 13,865) at variable rates which are not materially exposed to significant interest rate risk.

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30	FINANCIAL INSTRUMENTS BY CATEGORY	2 0 2 6	2 0 2 5
	Financial Assets - At amortised cost		
	Cash and bank balances	1,047,418	2,993,562
	Advances, deposits and other receivables	412,578	412,578
	Long term deposit	58,500	58,500
	Financial Assets - At FVOCI		
	Investments	343,162,004	556,470,455
	(a)	344,680,500	559,935,095
	Financial Liabilities - At amortised cost		
	Accrued and other liabilities	5,221,224	8,679,583
	Security deposits	3,230,000	2,730,000
	Unclaimed dividend	39,541,077	39,541,077
	(b)	47,992,301	50,950,660
	(a-b)	296,688,199	508,984,435

Fair value sensitivity analysis for fixed rate instruments

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

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

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

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

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

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

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

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

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

	Carrying amount			Fair value			
	At fair value through OCI	At amortized cost	Total	Level 1	Level 2	Level 3	Total
As at June 30, 2026							
Financial assets							
Cash and bank balances	-	1,047,418	1,047,418	-	-	-	-
Advances, deposits, and other receivables	-	412,578	412,578	-	-	-	-
Long term deposit	-	58,500	58,500	-	-	-	-
Investments	342,560,121	-	342,560,121	342,560,121	-	-	342,560,121
	<u>342,560,121</u>	<u>1,518,496</u>	<u>344,078,617</u>	<u>342,560,121</u>	<u>-</u>	<u>-</u>	<u>342,560,121</u>
Financial liabilities							
Accrued and other liabilities	-	4,879,582	4,879,582	-	-	-	-
Security deposits	-	2,730,000	2,730,000	-	-	-	-
Unclaimed dividend	-	39,541,077	39,541,077	-	-	-	-
Unpaid dividend	-	-	-	-	-	-	-
	<u>-</u>	<u>47,150,659</u>	<u>47,150,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at June 30, 2025							
Financial assets							
Cash and bank balances	-	2,993,562	2,993,562	-	-	-	-
Advances, deposits, and other receivables	-	412,578	412,578	-	-	-	-
Long term deposit	-	58,500	58,500	-	-	-	-
Investments	555,980,342	-	555,980,342	490,113	555,490,229	-	555,980,342
	<u>555,980,342</u>	<u>3,464,640</u>	<u>559,444,982</u>	<u>490,113</u>	<u>555,490,229</u>	<u>-</u>	<u>555,980,342</u>
Financial liabilities							
Accrued and other liabilities	-	8,679,583	8,679,583	-	-	-	-
Security deposits	-	2,730,000	2,730,000	-	-	-	-
Unclaimed dividend	-	39,541,077	39,541,077	-	-	-	-
	<u>-</u>	<u>50,950,660</u>	<u>50,950,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

32 SHARIAH COMPLIANCE DISCLOSURE

Note 2 0 2 6 2 0 2 5

Statement of Financial Position

Liabilities

Long-term loans / borrowings	-	-
Short-term borrowings	-	-
Interest / mark-up accrued on loans or advances	-	-

Assets

Long-term investments - Shariah Compliant	<u>342,560,121</u>	<u>555,980,342</u>
Short-term investments - Shariah Compliant	<u>601,883</u>	<u>490,113</u>
Bank balances - Shariah Compliant	<u>281,840</u>	<u>2,819,632</u>

Statement of Profit or Loss and Other Comprehensive Income

Revenue earned from shariah compliant business segment	<u>23,082,893</u>	<u>37,570,611</u>
Dividend earned from shariah compliant investments	<u>28,140,700</u>	<u>7,470,490</u>
Profit earned from shariah compliant bank balances	<u>1,289</u>	<u>7,751</u>

FIRST TRI-STAR MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

Name of the Shariah Compliant Financial Institutions	Arrangement
Al Baraka (Pakistan) Limited	Bank balance
Bank Al Habib Limited	Bank balance
Habib Bank Limited	Bank balance
National Bank of Pakistan	Bank balance

33 SEGMENT REPORTING

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

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

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

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

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

34 NUMBER OF EMPLOYEES	2026	2025
Number of employees as at June 30	<u>2</u>	<u>5</u>
Average number of employees during the year	<u>6</u>	<u>6</u>

35 CORRESPONDING FIGURES

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

36 GENERAL

Figures have been rounded off to the nearest rupees.

37 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 2, 2026 by the Board of Directors of the Modaraba Management Company.

_____ Chief Executive Officer	_____ Director	_____ Director	_____ Chief Financial Officer
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**Pattern of Shareholding
As At June 30, 2026**

Number of Shareholders	Shareholding		Shares Held	Percentage
	From	To		
672	1	100	31,316	0.15
739	101	500	215,451	1.02
579	501	1,000	419,786	1.98
671	1,001	5,000	1,392,356	6.58
87	5,001	10,000	599,559	2.83
24	10,001	15,000	295,892	1.40
12	15,001	20,000	202,160	0.96
3	20,001	25,000	69,514	0.33
5	25,001	30,000	144,385	0.68
2	30,001	35,000	68,233	0.32
2	35,001	40,000	75,500	0.36
1	45,001	50,000	46,780	0.22
1	50,001	55,000	53,625	0.25
1	55,001	60,000	60,000	0.28
1	60,001	65,000	63,246	0.30
1	85,001	90,000	87,000	0.41
1	95,001	100,000	99,528	0.47
1	130,001	135,000	133,291	0.63
1	215,001	220,000	216,000	1.02
1	305,001	310,000	306,361	1.45
1	540,001	545,000	543,500	2.57
1	670,001	675,000	670,067	3.17
1	700,001	705,000	701,000	3.31
1	830,001	835,000	832,440	3.93
1	1,420,001	1,425,000	1,422,000	6.72
1	2,525,001	2,530,000	2,526,120	11.94
1	4,400,001	4,405,000	4,401,902	20.80
1	5,485,001	5,490,000	5,486,092	25.92
2,813			21,163,104	100.00

* Note: The slabs representing nil holding have been omitted.

**CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2026**

Categories of Shareholders	No. of Shares Held	Percentage
Directors, Chief Executive Officer and their Spouse(s) and Minor Children	4,945,402	23.37
Associated Companies, Undertakings and Related Parties	5,319,187	25.13
NIT and ICP	58,121	0.27
Banks, Development Financial Institutions, Non Banking Financial Institutions	22,577	0.11
Modarabas and Mutual Funds	180,335	0.85
Share holders holding 10%	-	-
Joint Stock Companies	17,449	0.08
General Public		
Local	10,360,355	48.95
Foreign	-	-
Other Companies	259,678	1.23
	21,163,104	100.00