



**FIRST
ELITE
CAPITAL
MODARABA**

*Annual Report
Two Thousand Twenty Five*

Managed by
**CRESCENT MODARABA MANAGEMENT
COMPANY LIMITED**



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VISION STATEMENT

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

MISSION STATEMENT

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



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CORPORATE INFORMATION

BOARD OF DIRECTORS OF MODARABA MANAGEMENT COMPANY

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

AUDIT COMMITTEE

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

CFO & COMPANY SECRETARY

Mr. Muhammad Arif Hilal

LEGAL ADVISOR

International Legal Services

SHARIAH ADVISOR

Mufti Muhammad Umar



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AUDITORS OF THE MODARABA

Ilyas Saeed & Co.
Chartered Accountants

HR & R COMMITTEE

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

BANKERS OF THE MODARABA

Bank Alfalah Limited
Meezan Bank Limited

PRINCIPAL & REGISTERED OFFICE

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

SHARE REGISTRAR

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



CHAIRMAN'S REVIEW REPORT

Dear Modaraba Certificate Holders,

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

For the Financial year ended June 30, 2025, the Board's overall performance and effectiveness have been assessed as satisfactory. Improvements are an ongoing process leading to an action plan.

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

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

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

Muneeb Ahmed Dar
Chairman

September 30, 2025



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DIRECTORS' REPORT TO THE CERTIFICATE HOLDERS

Valued Certificate Holders

The Board of Directors of **Crescent Modaraba Management Company Limited**, manager of **First Elite Capital Modaraba** presents the 34th annual audited accounts of the Modaraba for the year ended June 30, 2025.

Financial Results

Financial results for the year ended June 30, 2025 are summarized as below:

	June 30, 2025 Rupees	June 30, 2024 Rupees
Total Income of Modaraba	52,319,980	69,320,517
Depreciation of Assets Leased Out	26,388,228	23,693,723
Administrative & General Expenses	19,169,846	18,083,343
Financial Charges	16,147	11,362
Other Operating Loss	202,814	-
Management Fee	654,295	2,753,209
Taxation and levy	1,193,216	1,137,171
Profit/(Loss) after Taxation	4,695,434	23,641,709
Earnings per certificate-basic and diluted	0.41	2.08

Profit Distribution

Keeping in view the accumulated losses, the Board of Directors of Management Company of the Modaraba did not recommend any dividend this year.

Review of Operations

During the period under review, the Modaraba has posted after tax profit of Rs.4,695,434/= as compared to profit of Rs.23,641,709/= in the corresponding period of preceding year. Earnings per certificate remained at Re.0.41 as compared to earning of Rs.2.08 per certificate in the last year. The profit during the year is mainly due to fair value gain on investment properties. Despite the stiff competition, your Modaraba generated a gross revenue of Rs.52,319,980/= which was mainly derived from fair value gain on Investment Properties, Ijraha/Lease and profit on Investment in Mutual Funds.

The portfolio of Ijarah remained at Rs.113,689,017/= as on June 30, 2025. The Certificate holders equity of Modaraba stand at Rs.137,903,788/= and the breakup value of certificate comes to Rs.12.16 per certificate.

Economy

Pakistan's economy showed signs of strengthening in FY 2025, with improvement in GDP growth. Inflation eased to single digits by June 2025, supported by tight monetary policy, fiscal consolidation and strong remittance inflows. While external financing improved, challenges such



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as high debt servicing, energy sector arrears and regional uncertainties continued to weigh on the economic outlook.

Future outlook

The Management of the Modaraba is optimistic about the future business prospects and intends to concentrate on small ticket Ijrah financing besides exploring new avenues of profitable business to improve the performance of the Modaraba, with the hope that the Government would formulate policies to improve the performance of modaraba sector.

Corporate and Financial Reporting Framework

The Financial statements, prepared by the management of the Modaraba, present fairly its true state of affairs, the result of its operations, cash flows and changes in equity.

Proper books of accounts of the Modaraba have been maintained.

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

International financial reporting standards, as applicable to Modaraba in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained.

The system of internal control is sound in design and has been effectively implemented and monitored.

There are no significant doubts upon the Modaraba's ability to continue as a going concern.

The Directors, CEO, CFO, Company Secretary and their spouses and minor children do not hold any interest in the certificates of Modaraba, other than that disclosed in the pattern of certificate holding.

During the year under review four meetings of the Board of Directors were held. Attendance by each Director is as follows:-

	Name of Director	Number of Meetings Attended
I.	Mr. Muneeb Ahmed Dar	04
II.	Mr. Aamir Iftikhar Khan	04
III.	Mr. Ghazanfar Farrokh	04
IV.	**Mr. Ghulam Rasool	03
V.	Mr. Muhammad Javed Amin	04
VI.	*Mrs. Rukhsana Javed Amin	01
VII.	Mrs. Shahana Javed Amin	03
VIII.	Sheikh Muhammad Ali Asif	04

*Mrs. Rukhsana Javed Amin, elected on November 13, 2023 and resigned on October 07, 2024.



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****Mr. Ghulam Rasool** co-opted as Independent Director on October 07, 2024 against casual vacancy created due to resignation of Mrs. Rukhsana Javed Amin.

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

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

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

Pattern of Certificate Holding

A statement reflecting the pattern of holding of the certificates as on June 30, 2025 is annexed to this Report.

Key Operating & Financial Data

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

The Board of Directors

The total number of directors are 7 as per the following

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

The composition of board is as follows:

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



Director's Remuneration

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

Auditors

The board has approved the appointment of M/s Ilyas Saeed & Co. Chartered Accountants for the year 2025-2026 subject to the approval of the Registrar of Modaraba Companies & Modarabas.

Acknowledgement

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

On behalf of the Board

AAMIR IFTIKHAR KHAN
CHIEF EXECUTIVE

MUNEEB AHMED DAR
CHAIRMAN

Date: September 30, 2025



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کلیدی آپریٹنگ اور فنانشل ڈیٹا:۔ (Key Operating and Financial Data)
گزشتہ چھ سال کا کلیدی مالیاتی خلاصہ سالانہ رپورٹ کے ساتھ منسلک ہے۔
بورڈ آف ڈائریکٹرز:۔ (The Board of Directors)
مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات ہے۔

مرد : 6

عورت : 1

بورڈ کی تشکیل مندرجہ ذیل ہے۔

نام	کیٹیگری
محترم منیب احمد ڈار	نان ایگزیکٹو ڈائریکٹر
محترم عامر افتخار خان	ایگزیکٹو ڈائریکٹر
محترم غضنفر فرخ	نان ایگزیکٹو ڈائریکٹر
محترم غلام رسول	انڈیپنڈنٹ ڈائریکٹر
محترم محمد جاوید امین	نان ایگزیکٹو ڈائریکٹر
محترمہ شہانہ جاوید امین	نان ایگزیکٹو ڈائریکٹر
شیخ محمد علی آصف	انڈیپنڈنٹ ڈائریکٹر

ڈائریکٹرز کا مشاہرہ:۔ (Director's Remuneration)
کمپنی کے آرٹیکل کے تحت، بورڈ آف ڈائریکٹرز کو اختیار حاصل ہے کہ وہ وقتاً فوقتاً نان ایگزیکٹو اور انڈیپنڈنٹ
ڈائریکٹرز کا مشاہرہ طے کرے۔ اس سلسلے میں بورڈ آف ڈائریکٹرز نے نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کیلئے
مشاہرہ پالیسی تیار کی ہے۔

آڈیٹرز:۔ (Auditors)
بورڈ نے سال 2025-2026 کے لیے میسرز الیاس سعید اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری کی منظوری دی ہے جو
مضار کمپنیز اینڈ مضاربہ کے رجسٹرار کی منظوری سے مشروط ہے۔

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

اؤ طرف بورڈ آف ڈائریکٹرز:۔

منیب احمد ڈار
چیئرمین

عامر افتخار خان
چیف ایگزیکٹو
30 ستمبر 2025ء
☆☆☆☆



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

ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
i. محترم منیب احمد ڈار	04
ii. محترم عامر افتخار خان	04
iii. محترم غففر فرخ	04
iv. ☆☆ محترم غلام رسول	03
v. محترم محمد جاوید امین	04
vi. ☆ محترمہ رخسانہ جاوید امین	01
vii. محترمہ شہانہ جاوید امین	03
viii. شیخ محمد علی آصف	04

- ☆ مسز رخسانہ جاوید امین 13 نومبر 2023 کو منتخب ہوئیں اور 17 اکتوبر 2024 کو استعفیٰ دے دیا۔
- ☆☆ مسز رخسانہ جاوید امین کے استعفیٰ کی وجہ سے پیدا ہونے والی خالی آسامی پر مسٹر غلام رسول کو 17 اکتوبر 2024 کو آزاد ڈائریکٹر کے طور پر منتخب کیا۔
- زیر جائزہ سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر ممبر کی حاضری درج ذیل ہے:-
- ممبر کا نام
- اجلاس میں شرکت کی تعداد
- i. شیخ محمد علی آصف
- 04
- iii. محترم غففر فرخ
- 04
- iii. محترم منیب احمد ڈار
- 04
- زیر جائزہ سال کے دوران انسانی وسائل اور مشاہرہ (HR & R) کمیٹی کا ایک اجلاس منعقد ہوا جس میں محترم منیب احمد ڈار (چیئر مین)، محترم غففر فرخ (ممبر) اور محترم عامر افتخار خان (ممبر) نے شرکت کی۔
- پیٹرن آف سرٹیفکیٹ ہولڈنگ:- (Pattern of Certificate Holding)
- سرٹیفکیٹ ہولڈنگ کی ترتیب جو کہ 30 جون 2025ء کے مطابق ہے اس رپورٹ کے ساتھ منسلک ہے۔



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ڈائریکٹرز رپورٹ برائے سرٹیفکیٹ ہولڈرز

معزز سرٹیفکیٹ ہولڈرز:-

فرسٹ ایلٹ کیپٹل مضاربہ زیر انتظام کریڈنٹ مضاربہ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز، مضاربہ کے 30 جون 2025ء کو ختم ہونے والے مالی سال کے سالانہ چوتھیویں (34th) آڈٹ شدہ اکاؤنٹس پیش کرتے ہیں۔

مالیاتی نتائج:- (Financial Results)

30 جون 2025ء کو ختم ہونے والے سال کے مختصر مالیاتی نتائج درج ذیل ہیں۔

30 جون 2024ء (روپے)	30 جون 2025ء (روپے)	
69,320,517	52,319,980	مضاربہ کی کل آمدن
23,693,723	26,388,228	لیزڈ آؤٹ اثاثوں کی فرسودگی
18,083,343	19,169,846	انتظامی و عمومی اخراجات
11,362	16,147	مالی اخراجات (فنانسل چارجز)
-	202,814	دیگر آپریٹنگ خسارہ
2,753,209	654,295	مضاربہ مینجمنٹ کی انتظامی فیس
1,137,171	1,193,216	ٹیکسیشن اور لیوی
23,641,709	4,695,434	منافع/(خسارہ) بعد از ٹیکسیشن
2.08	0.41	آمدنی/(خسارہ) فی سرٹیفکیٹ - بنیادی اور تحلیل شدہ

منافع کی تقسیم:- (Profit Distribution)

جمع شدہ نقصانات کو مد نظر رکھتے ہوئے، مضاربہ کی مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے اس سال کسی منافع کی سفارش نہیں کی۔

آپریٹنگ کا جائزہ:- (Review of Operations)

زیر غور مدت کے دوران مضاربہ کو بعد از ٹیکسیشن = 4,695,434/ روپے کا منافع ہوا۔ جبکہ گزشتہ سال اسی مدت میں یہ منافع 23,641,709 روپے تھا۔ فی سرٹیفکیٹ 0.41 روپے کی آمدنی ہوئی جبکہ اس کے مقابلہ میں گزشتہ سال یہ آمدنی 2.08 روپے فی سرٹیفکیٹ تھی۔

سال کے دوران منافع کی بڑی وجہ انوسٹمنٹ پراپرٹیز کو اصل رقم میں لانے کی وجہ سے ہوئی۔ سخت کاروباری مقابلے کے باوجود، آپ کے مضاربہ نے = 52,319,980/ روپے کی مجموعی آمدنی حاصل کی جو بنیادی طور پر انوسٹمنٹ پراپرٹیز کی مناسب قدر میں اضافے، اجارہ/لیز اور میوچل فنڈز میں سرمایہ کاری پر منافع سے حاصل کی گئی۔

30 جون 2025 کو اجارہ کا پورٹ فولیو = 113,689,017/ روپے رہا۔ مضاربہ کے سرٹیفکیٹ ہولڈرز کی ایکویٹی = 137,903,788/ روپے ہے اور سرٹیفکیٹ کی بریک اپ ویلیو 12.16 روپے فی سرٹیفکیٹ بنتی ہے۔

معیشت:- (Economy)

پاکستان کی معیشت میں مالی سال 2025 میں استحکام کے آثار ظاہر ہوئے، اور جی۔ ڈی۔ پی کی شرح نمو میں بہتری آئی۔ سخت مائیکرو پالیسی، مالی استحکام اور ترسیلات زر کے مضبوط بہاؤ کی حمایت سے جون 2025 تک مہنگائی کم ہو کر سنگل ڈیجٹ میں آگئی۔ اگرچہ بیرونی فنانسنگ میں بہتری آئی، تاہم زیادہ قرضوں کی ادائیگی، توانائی کے شعبے کے بقایا جات اور علاقائی غیر یقینی صورتحال معیشت کے لیے چیلنجز رہے۔

مستقبل کا نقطہ نظر:- (Future Outlook)

مضاربہ کی انتظامیہ مستقبل کے کاروبار کی کامیابی کے بارے میں پُر امید ہے اور مضاربہ کی کارکردگی کو بہتر بنانے کے لیے منافع بخش کاروبار کی نئی راہیں تلاش کرنے کے علاوہ چھوٹی لیزنگ / اجارہ پر توجہ مرکوز کرنے کا ارادہ رکھتی ہے اور ہمیں اُمید ہے کہ حکومت مضاربہ سیکٹر کی کارکردگی کو بہتر بنانے کے لیے پالیسیاں مرتب کرے گی۔



FIRST ELITE CAPITAL MODARABA

INDEPENDENT AUDITOR'S REPORT

TO THE CERTIFICATE HOLDERS OF FIRST ELITE CAPITAL MODARABA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at 30 June 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Modaraba and Crescent Modaraba Management Company Limited (the Modaraba Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



Following is the Key audit matter:

Key audit matter	How the matter was addressed in our audit
1) Revaluation of Vehicles	
Refer to note 24 of the financial statements. During the year ended June 30, 2025, the Modaraba carried out the revaluation of its vehicles for the first time, resulting in a revaluation surplus of Rs. 4.32 million. The revaluation was performed by an independent PBA approved valuer, Al-Wazzan Associates (Private) Limited, as at June 30, 2025. The determination of fair values involves the use of significant judgments and assumptions, including market comparable, condition and usage of vehicles, and valuation methodology adopted by the valuer. Considering the significance of the amount involved and the degree of judgment applied in the valuation process, this matter was of most significance in our audit. Accordingly, it has been determined to be a key audit matter.	Our audit procedures to address this matter included the following: ● Evaluated the competence, capabilities, and objectivity of the independent valuer engaged by management. ● Assessed the valuation methodology applied and checked whether it was consistent with commonly accepted valuation practices for such assets. ● Tested on a sample basis the underlying data provided to the valuer by management for accuracy and completeness. ● Verified the accounting treatment of the revaluation surplus to ensure compliance with applicable financial reporting standards and Modaraba regulations.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management of the Modaraba Company is responsible for the preparation and fair presentation of the financial statements in accordance with the



FIRST ELITE CAPITAL MODARABA

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



FIRST ELITE CAPITAL MODARABA

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Modaraba to cease to continue as a going concern; and

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

Ilyas Saeed & Co.

Chartered Accountants

Lahore

Dated: September 30, 2025

UDIN: AR202510278WdLZ2UgrK



FIRST ELITE CAPITAL MODARABA

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
ASSETS			
CURRENT ASSETS			
Cash and bank balances	4	8,268,717	6,103,477
Short term investments - FVOCI	5	15,897,985	11,054,452
Short term investments in Mutual Funds	6	9,655,248	23,629,108
Short term finances under musharakah arrangements - Secured	7	-	-
Short term finances under murabahah arrangements - Secured	8	16,403	16,403
Ijarah rentals receivable - Secured	9	461,454	668,614
Profit receivable - Secured	10	-	-
Advances, deposits, prepayments and other receivables	11	12,520,801	5,633,834
Biological Assets	12	711,112	-
Advance income tax	13	75,280	417,679
		47,607,000	47,523,567
NON-CURRENT ASSETS			
Assets leased out under ijarah contracts	14	113,689,017	98,004,925
Property and equipment	15	5,500,561	1,360,025
Investment property	16	65,550,000	54,450,000
Deferred tax asset	17	-	-
		184,739,578	153,814,950
TOTAL ASSETS		232,346,578	201,338,517
LIABILITIES			
CURRENT LIABILITIES			
Accrued and other liabilities	18	6,675,391	3,729,922
Security deposits	19	12,426,229	3,233,049
Unclaimed profit distribution		8,376,835	8,457,185
		27,478,455	15,420,156
NON-CURRENT LIABILITIES			
Security deposits	19	55,547,572	51,193,739
Deferred tax liability	17	1,253,542	-
Employees retirement benefits	20	11,375,300	12,694,292
		68,176,414	63,888,031
TOTAL LIABILITIES		95,654,869	79,308,187
NET ASSETS		136,691,709	122,030,330
Contingencies and commitments	21	-	-
REPRESENTED BY			
Authorized certificate capital 20,000,000 (2024: 20,000,000) modaraba certificates of Rs. 10 each		200,000,000	200,000,000
Issued, subscribed and paid-up certificate capital	22	113,400,000	113,400,000
Statutory Reserves	23	32,870,088	32,870,088
Unappropriated losses		(8,366,300)	(17,028,743)
		137,903,788	129,241,344
Revaluation Surplus - net of deferred tax	24	3,069,017	-
Unrealized gain / (loss) on revaluation of Investment - FVOCI	25	(4,281,096)	(7,211,014)
		136,691,709	122,030,330

The annexed notes 1 to 45 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer



FIRST ELITE CAPITAL MODARABA

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2025

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
INCOME			
Income from ijarah financing	26	37,151,262	32,249,458
Income from murabahah financing	27	17,236	330
Return on investments	28	3,197,479	5,727,983
Reversal of provision for doubtful receivables		304,140	145,735
Fair value gain on investment properties	16	11,100,000	30,916,713
Fair value gain on biological assets	12	236,312	-
Other income	29	313,551	280,298
		52,319,980	69,320,517
EXPENSES			
Depreciation of assets leased out under ijarah contracts	14	(26,388,228)	(23,693,723)
Administrative and general expenses	30	(19,169,846)	(18,083,343)
Financial charges		(16,147)	(11,362)
Other Operating loss		(202,814)	-
		(45,777,035)	(41,788,428)
PROFIT BEFORE MANAGEMENT COMPANY'S FEE			
		6,542,945	27,532,089
Management fee	31	(654,295)	(2,753,209)
PROFIT BEFORE LEVY AND TAXATION			
		5,888,650	24,778,880
Levy	32	(1,193,216)	-
PROFIT /(LOSS) BEFORE TAXATION			
		4,695,434	24,778,880
Taxation	32	-	(1,137,171)
PROFIT/(LOSS) AFTER TAXATION			
		4,695,434	23,641,709
EARNINGS PER CERTIFICATE - BASIC AND DILUTED			
	33	0.41	2.08

The annexed notes 1 to 45 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer



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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2025

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
PROFIT/(LOSS) AFTER TAXATION		4,695,434	23,641,709
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan	20.3	1,878,443	-
Changes in fair value of short term investment		2,929,918	5,847,327
Revaluation Surplus on Vehicles - Net of deferred tax	24	3,069,017	-
Tax related to items that will not be reclassified		-	-
		7,877,378	5,847,327
Total comprehensive income/(loss)		12,572,812	29,489,036

The annexed notes 1 to 45 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer

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

Balance as at June 30, 2023
 Comprehensive income for the year :
 Profit after taxation
 Other comprehensive income
 Total comprehensive income for the year
Balance as at June 30, 2024
Comprehensive income for the year :
 Profit after taxation
 Other comprehensive income
Total comprehensive income for the year
Transfer to statutory reserves (Note 23)
Gain on sale of investment - FVOCI
Balance as at June 30, 2025

The annexed notes 1 to 45 form an integral part of these financial statements.

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


 Chairman


 Chief Executive


 Director


 Chief Financial Officer



FIRST ELITE CAPITAL MODARABA

	Reserves				Total Equity Rupees
	Capital Reserves	Revenue Reserves			
Paid-up Certificate Capital Rupees	Statutory reserve Rupees	Unappropriated losses Rupees	Total Reserves Rupees		
113,400,000	32,870,088	(40,670,452)	(7,800,364)		105,599,636
-	-	23,641,709	23,641,709		23,641,709
-	-	-	-		-
-	-	23,641,709	23,641,709		23,641,709
113,400,000	32,870,088	(17,028,743)	15,841,345		129,241,345
-	-	4,695,434	4,695,434		4,695,434
-	-	1,878,443	1,878,443		1,878,443
-	-	6,573,877	6,573,877		6,573,877
-	-	-	-		-
-	-	2,088,566	2,088,566		2,088,566
113,400,000	32,870,088	(8,366,300)	24,503,788		137,903,788



FIRST ELITE CAPITAL MODARABA

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

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Cash Generated From Operations	34	29,718,480	22,243,624
Receipts/(payments) for:			
Income taxes		(850,817)	(832,086)
Purchase of Ijarah assets		(64,898,700)	(28,808,400)
Transfer of Ijarah assets		22,826,380	5,906,801
Purchase of investments		(62,539,906)	(15,988,290)
Proceeds from sale of investments		77,114,974	16,805,022
Dividend received		3,197,479	4,922,326
Staff retirement benefits paid		(1,820,000)	(544,550)
Profit distribution		(80,350)	(28,836)
		(27,050,940)	(18,568,013)
Net cash (used in)/ generated from operating activities		2,667,540	3,675,611
Cash Flow From Investing Activities			
Sale Proceed of property and equipment		2,500	29,600
Purchase of property and equipment		(30,000)	-
Net (purchase)/proceeds from biological assets		(474,800)	-
Net cash (used in)/ generated from investing activities		(502,300)	29,600
Cash Flow From Financing Activities		-	-
Net Increase /(Decrease) In Cash And Cash Equivalents		2,165,240	3,705,211
Cash And Cash Equivalents At The Beginning Of The Year		6,103,477	2,398,266
Cash And Cash Equivalents At The End Of The Year	35	8,268,717	6,103,477

The annexed notes 1 to 45 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer



FIRST ELITE CAPITAL MODARABA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1 STATUS AND NATURE OF THE BUSINESS

First Elite Capital Modaraba ("the Modaraba") is a perpetual, multi-purpose and multi-dimensional modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under and is managed by Crescent Modaraba Management Company Limited ("the Management Company"), a company incorporated in Pakistan under the Companies Act, 2017, vide Registration No. L 01630 dated 30th May, 1989. The registered office of the Modaraba is situated at 50-A, Garden Block, New Garden Town, Lahore. The Modaraba was floated on September 26, 1991 and is listed on Pakistan Stock Exchange Limited. The Modaraba is primarily engaged in the business of ijarah, musharakah and murabahah financing, investment in marketable securities, trading of stock and other related businesses.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 ("the Ordinance"), the Modaraba Companies and Modaraba Rules, 1981 ("the Rules"), Prudential Regulations for Modarabas ("the Regulations") and other directives ("the Directives") issued by the Securities and Exchange Commission of Pakistan together with approved accounting standards as applicable in Pakistan to Modarabas. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRS"), the International Accounting Standards ("IAS") and the Islamic Financial Accounting Standards ("IFAS") as notified under the provisions of the Companies Act, 2017 and made applicable to modarabas under the Ordinance, the Rules, the Regulations and the Directives. The requirements of the Ordinance, the Rules, the Regulations or the Directives take precedence wherever they differ from the requirements of approved standards. Further, where the requirements of IFAS differ from the requirements of other approved standards, the IFASs take precedence.

SECP vide its circular No. 10 of 2004 dated 13 February 2004, had deferred, till further orders, the applicability of International Accounting Standard (IAS) 17 "Leases" on Modarabas with effect from 1 July 2003 and advised the management companies of Modarabas that they may continue to prepare the financial statements of the Modarabas without applying the requirements of IAS 17 to the Modarabas. However, the requirements of IAS 17 were considered for the purpose of leasing transactions (net investment in finance lease, assets given on finance lease, liabilities against assets subject to finance lease, and assets obtained on finance lease entered into by the Modaraba upto 30 June 2008. From 1 July 2008, all new lease transactions (both for assets given and assets obtained) are being accounted for in accordance with the requirements of IFAS 2 as explained hereunder. Islamic Financial Accounting Standard 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan was adopted by the Securities and Exchange Commission of Pakistan ('the SECP') vide SRO 431(1)/2007 dated 22 May 2007. During the year ended 30 June 2009, SECP vide its letter no. SC/M/RW/SC/2009 dated 9 March 2009, directed that the management companies of Modarabas may apply the accounting treatment of IFAS 2, only to the leasing (Ijarah) transactions entered on or after 1 July 2008. Under the above IFAS 2, the 'Ijarah' transactions are accounted for in the following manner:

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

Consequently, in preparation of these financial statements the Modaraba has accounted for leasing transactions executed before 1 July 2008 as finance leases consistent with prior years and has treated leasing transactions executed on or after 1 July 2008 in accordance with the requirements of IFAS 2.

Furthermore, SECP vide S.R.O. 203 (1)/2024, dated February 15, 2024 has changed the nomenclature of primary statements.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments at fair value/amortized cost and employees



FIRST ELITE CAPITAL MODARABA

retirement benefits at present value. In these financial statements, except for the cash flow statement, all transactions have been accounted for on accrual basis.

2.3 Judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. These estimates and assumptions are based on historical experience and other relevant factors, forming the basis for judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates. Estimates and assumptions are reviewed regularly, with any revisions recognized in the period of change and future periods. Significant judgments and estimates that may require material adjustments in future periods include the following:

2.3.1 Recoverable amount and impairment

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

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

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

2.3.3 Obligation under defined benefit plan

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

2.3.4 Provisions

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

2.4 Functional currency

These financial statements are prepared in Pak Rupees which is the Modaraba's functional currency.

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

The following standards, amendments, and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either irrelevant to the Company's operations or are not expected to significantly impact the Company's financial statements other than certain additional disclosures.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 1 Presentation of Financial Statements (Amendments)	01 January 2024
IAS 7 Statement of Cash Flows (Amendments)	01 January 2024
IFRS 7 Amendments to IFRS 7 "Financial Instruments Disclosures"- Supplier Finance Arrangements	01 January 2024
IFRS 16 Leases - Amendments to Sale and leaseback transactions	01 January 2024

2.6 Standards, Interpretations And Amendments To Approved Accounting Standards That Are Not Yet Effective

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



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impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation		Effective Date (Annual periods beginning on or after)
IAS 21	Amendments to lack of exchangeability	January 01, 2025
IFRS 7 & 9	Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 01, 2026
IFRS 7 & 9	Contracts referencing Nature-dependent Electricity	January 01, 2026
IFRS 1	Annual Improvements to IFRS Accounting Standards	January 01, 2026
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	January 01, 2026
IFRS S2	Climate-Related Disclosures	January 01, 2026

Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2025:

IFRS 1	First Time Adoption of IFRS
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The Modaraba adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that users need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property and equipment

These comprise operating fixed assets of the Modaraba.

Operating fixed assets, other than vehicles which are measured using the revaluation model, are measured at cost less accumulated depreciation and accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

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

Revaluation

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

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



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

3.2 Assets leased out under ijarah contracts

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

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

3.3 Investment property

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

3.4 Certificate capital

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

3.5 Employees retirement benefits

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

3.5.2 Post employment benefits

The Modaraba operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. The amount recognized on balance sheet represents the present value of defined benefit obligation. Actuarial gains or loss are recognized immediately in other comprehensive income as required by IAS-19 Employee Benefits. The details of the scheme are referred to in note 20 to the financial statements.

3.6 Revenue

International Financial Reporting Standards ("IFRS") 15 "Revenue From Contracts with Customers" which provides a unified five-step model for determining the timing, measurement and recognition of revenue. The focus of the new standard is to recognize revenue as performance obligations are made rather than based on the transfer of risk and rewards. IFRS 15 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and the number of revenue related interpretations.

The Modaraba has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the Standard. This method requires the recognition of the cumulative effect (without practical expedients) of initially applying IFRS 15 to retained earnings. Under this transition method, comparative information for prior periods has not been restated and continues to be reported in accordance with the previous standard under IAS 18 and related interpretations.

Apart from providing more extensive disclosures, the application of IFRS 15 has not had a significant impact on the financial position and / or financial performance of the Modaraba. Accordingly, there was no adjustment to retained earnings on application of IFRS 15 at 1 July 2019.

Revenue from different sources is recognized as follows:

Ijarah rentals are recognized over the period of lease as and when the related rentals become due.

Profit on murabahah finances is recognized on time proportion basis as and when accrued.

Profit on musharakah finances is recognized on time proportion basis as and when accrued.



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Trading Income is recognized on time proportion basis as and when accrued.

Return on saving accounts is recognized on time proportion basis as and when accrued.

Dividend income is recognized when right to receive payment is established.

3.7 Related party transactions

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

3.8 Comprehensive income

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

3.8.1 Income tax

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

3.8.2 Current taxation

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

3.8.3 Levy

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

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

3.8.4 Deferred taxation

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



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3.9 Earnings per certificate (EPC)

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

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

3.10 Financial instruments

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

3.10.1 Financial assets

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

Financial assets are classified into three categories:

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

a) Financial assets at amortized cost

Classification

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

The Modaraba measures its cash and bank balances, short-term finances under Musharakah and Murabahah arrangements, Ijarah rentals receivable, and advances, deposits, prepayments and other receivables at amortized cost.

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Reclassification

When the Modaraba changes its business model for managing financial



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assets, it reclassifies all affected financial assets accordingly. The Modaraba applies the reclassification prospectively from the reclassification date.

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

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

Derecognition

Financial assets are derecognized when:

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

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

Impairment

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

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

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

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

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



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The Modaraba directly reduces the gross carrying amount of a financial asset when it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

b) Financial assets at fair value through other comprehensive income

Classification

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

The Modaraba has classified and measured its short-term investments in listed securities at fair value through other comprehensive income.

Initial Recognition and Measurement

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

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

Subsequent Measurement

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

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

Reclassification

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

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

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

Derecognition

Equity instrument

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

The difference between the sale proceeds and the carrying amount of the investment is also recognised directly in retained earnings. For



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partial disposals, the carrying amount and the related portion of the FVOCI reserve are allocated on a pro-rata basis.

Debt instruments

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

Impairment

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

c)

Financial assets at fair value through profit and loss

Classification

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

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

Initial Recognition and Measurement

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

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

Subsequent Measurement

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

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

Reclassification

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

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

Derecognition

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



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amounts are accumulated in equity or transferred to retained earning.

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

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

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

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

Impairment

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

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

3.10.2 Financial liabilities

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

Financial liabilities are classified into the following categories

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

a) Financial liabilities at amortized cost

Classification

All financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost except for financial liabilities at fair value through profit and loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

Initial Recognition and Measurement

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

Subsequent Measurement

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



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Reclassification

The Modaraba does not reclassify any of its financial liabilities.

Derecognition

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

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

Impairment

Impairment requirements are not applicable to financial liabilities.

b)

Financial liabilities at fair value through profit and loss

Classification

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

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

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

Initial Recognition and Measurement

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

Subsequent Measurement

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

Reclassification

The Modaraba does not reclassify any of its financial liabilities.

Derecognition

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



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

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

Impairment

Impairment requirements are not applicable to financial liabilities.

3.11 Provisions and contingencies

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

3.12 Profit distribution to certificate holders

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

3.13 Biological Assets

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

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
4 CASH AND BANK BALANCES			
Cash in hand		60,322	71,585
Cash at bank			
Current accounts		446,671	536,561
Saving / deposit accounts	4.1	7,761,724	5,495,331
		8,208,395	6,031,892
		<u>8,268,717</u>	<u>6,103,477</u>

4.1 Effective rate of return on deposit/saving accounts, for the year, ranges from 7% to 8% (2024: 6.50% to 10.75%).

5 SHORT TERM INVESTMENTS

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

Cost	23,350,048	21,436,433
Accumulated changes in fair value (trading suspended)	(3,170,967)	(3,170,967)
Accumulated changes in fair value (others)	(4,281,096)	(7,211,014)
	<u>15,897,985</u>	<u>11,054,452</u>



5.1 Equity investments - Fair value through OCI

Fertilizer

Fauji Fertilizer Bin Qasim Limited

Cements

Attock Cement Pakistan Limited

Fauji Cement Company Limited

Flying Cement Limited

Maple Leaf Cement Factory Limited

Textile Composite

Sunrise Textiles Limited

Nishat Mills Limited

Technology & Communication

Netsol Technologies Limited

Pakistan Telecommunication Company Limited

Worldcall Telecom Limited

Cable and Electrical Goods

Pak Electron Limited

Waves Corporation Limited

Pharmaceuticals

The Searl Company Ltd.

Citi Pharma Limited

Oil & Gas marketing Co.

Sui Northern Gas Pipelines Limited

Pakistan State Oil Company Limited

Pakistan Petroleum Limited

Sui Southern Gas Company Limited

Oil and Gas Development Company Limited

Investment Banks/Co.

Engro Holding Limited

Javed Omer Vohra & Company Limited

Refinery

National Refinery Limited

Pakistan Refinery Limited

Engineering

Crescent Steel & Allied Products Limited

Modarabas

Modaraba Al Mali

Awwal Corporate Restructuring Co. Limited

Chemical

Ghani Global Holding Company Limited

Food and personal care

Unity Foods Limited

TOTAL

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



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No. Of Shares/ Certificates		Average Cost		Fair Value	
June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
		Rupees		Rupees	
-	15,000	-	826,865	-	532,050
2,500	-	808,420	-	731,500	-
7,500	-	361,354	-	335,025	-
-	2,050	-	32,069	-	17,056
3,000	-	258,789	-	252,840	-
153,900	153,900	2,023,076	2,023,076	-	-
-	8,000	-	624,481	-	566,800
9,000	-	1,370,472	-	1,196,640	-
102,500	102,500	4,384,526	4,384,526	2,607,600	1,231,025
-	4,000	-	13,836	-	5,040
35,000	32,000	2,587,209	2,446,492	1,433,600	790,720
8,000	4,000	102,813	65,112	62,720	28,080
5,000	6,000	463,816	382,404	438,500	342,720
4,000	-	400,339	-	335,880	-
5,500	43,000	682,770	3,345,608	641,905	2,729,210
2,000	11,000	760,425	2,163,871	755,060	1,828,310
14,000	17,500	2,791,261	2,235,657	2,382,380	2,049,425
-	49,000	-	1,036,646	-	464,520
7,500	-	1,719,695	-	1,654,200	-
5,000	-	1,105,245	-	912,800	-
8,800	8,800	1,164,611	1,164,611	16,720	16,720
3,500	-	1,039,831	-	851,760	-
3,000	-	116,655	-	101,790	-
5,500	-	636,981	-	635,965	-
-	500	-	11,702	-	2,865
1,140	1,140	11,846	11,846	11,400	11,400
30,000	12,650	559,914	276,058	539,700	120,428
-	10,550	-	391,573	-	318,083
416,340	481,590	23,350,048	21,436,433	15,897,985	11,054,452



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	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
6 SHORT TERM INVESTMENTS IN MUTUAL FUNDS			
Meezan Rozana Amdani Fund - 193,104.96 (2024: 472,582.16) units of Rs. 50 (2024: Rs.50) each		9,655,248	23,629,108
		<u>9,655,248</u>	<u>23,629,108</u>
7 SHORT TERM FINANCES UNDER MUSHARAKAH ARRANGEMENTS - SECURED			
Considered good		-	-
Considered doubtful		320,744	453,744
		<u>320,744</u>	<u>453,744</u>
Provision for doubtful receivables	7.1	(320,744)	(453,744)
		<u>-</u>	<u>-</u>
These represent investments made under musharakah arrangements on profit and loss sharing basis and are secured by specific charge over vehicle. The share of profit of Modaraba is 40% per annum.			
7.1 Movement in provision for doubtful receivables is as follows:			
As at beginning of the year		453,744	586,744
Recognized during the year		-	-
Amount received during the year		(133,000)	(133,000)
As at end of the year		<u>320,744</u>	<u>453,744</u>
8 SHORT TERM FINANCES UNDER MURABAHAH ARRANGEMENTS - SECURED			
Considered good		16,403	16,403
Considered doubtful		54,838,093	55,009,233
		<u>54,854,496</u>	<u>55,025,636</u>
Provision for doubtful receivables	8.1	(54,838,093)	(55,009,233)
		<u>16,403</u>	<u>16,403</u>
These represent receivable against murabaha transactions on deferred payment basis at a specified margin. These are secured against mortgage of property, and personal guarantees. Profit margin on murabahah transactions ranges from 13% to 20% (2024: 13% to 20%) per annum receivable on monthly basis.			
8.1 Movement in provision for doubtful receivables is as follows:			
As at beginning of the year		55,009,233	55,021,968
Recognized during the year		-	-
Reversed during the year		(171,140)	(12,735)
		<u>(171,140)</u>	<u>(12,735)</u>
As at end of the year		<u>54,838,093</u>	<u>55,009,233</u>
8.1.1 The Modaraba has filed Three (2024: Three) execution petitions for claim of Rs. 25,868,727/- (2024: 25,868,727/-) against different parties in Modaraba Tribunal Punjab, Lahore. The management is aggressively pursuing its cases in the Court of law. The management company expects favourable decision(s).			
8.1.2 The Modaraba has filed a claim for Rs. 22,063,889/- (2024: Rs. 22,063,889/-) against Sunrise Textiles Limited. The Modaraba has applied to the official liquidators, appointed by the honorable Lahore High Court in C.O.No. 10/1995 for recovery of its dues, however the company has been dissolved.			
8.1.3 The Modaraba has filed Twenty Five (2024: Twenty Five) suits for recovery of receivables amounting to Rs. 26,475,820/- (2024: Rs.26,475,820/-) against			



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different parties in Banking Court, Lahore. The management is hotly pursuing its cases in the Court of law. There are almost no chances of any unfavorable decision(s) against First Elite Capital Modaraba.

8.1.4 The Modaraba has filed One (2024: One) criminal complaint under section 20 of the Financial Institutions (Recovery of Finances) Ordinance, 2001. against party in Banking Court, Lahore.

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
9 IJARAH RENTALS RECEIVABLE - SECURED			
Considered good		461,454	668,614
Considered doubtful		6,644,601	6,644,601
		7,106,055	7,313,215
Provision for doubtful receivables	9.1	(6,644,601)	(6,644,601)
		461,454	668,614

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

9.1 Movement in provision for doubtful receivables is as follows:

As at beginning of the year	6,644,601	6,726,504
Recognized during the year	-	-
Reversed during the year	-	(81,903)
	-	(81,903)
As at end of the year	6,644,601	6,644,601

9.1.1 The Modaraba has filed Two (2024: Two) execution petitions for claim of Rs.6,686,020/- (2024: Rs.6,686,020/-) against two parties (Rana Muhammad Ibrahim Noon Rs: 6,476,404 and Atif Saleem Rs. 93,060) in Banking Court, Lahore. The learned Banking Court passed an ex-parte judgement and decree for a sum of Rs. 6,476,404/- in favour of FECM and against the defendants (Rana Muhammad Ibrahim Noon). The process of auction of the property of the judgment Debtor Rana Muhammd Ibrahim Noon is underway.

9.2 Future Ijarah rentals receivable		
Not later than one year	44,032,364	30,929,305
Later than one year but not later than five years	36,694,154	36,307,604
Later than five years	-	-
	80,726,518	67,236,909

10 PROFIT RECEIVABLE - SECURED

Considered good		-	-
Considered doubtful		21,669,904	21,687,140
		21,669,904	21,687,140
Provision for doubtful receivables	10.1	(21,669,904)	(21,687,140)
		-	-

This represents profit receivable on murabahah and musharikah finance

10.1 Movement in provision for doubtful receivables is as follows:

As at beginning of the year	21,687,140	21,687,470
Recognized during the year	-	-
Reversed during the year	(17,236)	(330)
	(17,236)	(330)
As at end of the year	21,669,904	21,687,140



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	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
11 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances to employees - unsecured but considered good			
against salaries		314,732	552,179
against retirement benefits		2,765,645	2,816,906
Advances to suppliers		7,839,875	-
Security deposits		40,450	40,450
Prepayments		1,559,209	1,517,670
Other receivables - unsecured			
Considered good		890	706,629
Considered doubtful		2,610,080	2,610,080
		2,610,970	3,316,709
Provision for doubtful receivables		(2,610,080)	(2,610,080)
		890	706,629
		12,520,801	5,633,834
12 BIOLOGICAL ASSETS			
As at beginning of the year		-	-
Purchase during the year		2,611,400	-
Sale during the year		(2,136,600)	-
Fair value gain/(loss) during the year		236,312	-
As at end of the year		711,112	-
13 ADVANCE INCOME TAX			
Opening balance		417,679	722,764
Add : tax deducted / paid during the year		850,817	832,086
Less: Adjustment for Prior Year		-	4,300
Less: provision for taxation		(1,193,216)	(1,141,471)
As at end of the year		75,280	417,679

**14 ASSETS LEASED OUT UNDER IJARAH CONTRACTS****Year ended June 30, 2025**

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

Year ended June 30, 2024

PARTICULARS	COST			DEPRECIATION				Carrying Value
	As at July 01, 2023 Rupees	Additions Rupees	Disposals Rupees	As at June 30, 2024 Rupees	As at July 01, 2023 Rupees	For the year Rupees	Adjustment Rupees	As at June 30, 2024 Rupees
Vehicles	126,365,113	22,269,000	20,647,300	127,986,813	29,340,581	22,691,276	14,980,499	37,051,358
Machinery	4,703,200	6,539,400	1,600,000	9,642,600	2,930,683	1,02,447	1,360,000	2,573,130
	131,068,313	28,808,400	22,247,300	137,629,413	32,271,264	23,693,723	16,340,499	39,624,488
								98,004,925

15 PROPERTY AND EQUIPMENT

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



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	Furniture and fixtures	Office equipment	Vehicles	Total
At 30 June 2023				
Cost/revalued amount	271,815	2,343,466	2,998,265	5,613,546
Accumulated depreciation	(214,424)	(1,723,786)	(2,049,140)	(3,987,350)
Net book value	57,391	619,680	949,125	1,626,196
Year ended 30 June 2024				
Additions	-	-	-	-
Revaluation surplus	-	-	-	-
Adjustment for surplus	-	-	-	-
Disposals (note 15.02)				
Cost	-	(37,306)	-	(37,306)
Depreciation	-	27,790	-	27,790
Net book value	-	(9,516)	-	(9,516)
Depreciation charge for the year	(5,739)	(61,091)	(189,825)	(256,655)
Elimination of accumulated depreciation on revaluation	-	-	-	-
Net book value as at 30 June 2024	51,652	549,073	759,300	1,360,025
Year ended 30 June 2025				
Additions	-	30,000	-	30,000
Revaluation surplus	-	-	4,322,559	4,322,559
Adjustment for surplus	-	-	(2,390,825)	(2,390,825)
Disposals (note 15.02)				
Cost	-	-	(2,000)	(2,000)
Depreciation	-	-	2,000	2,000
Net book value	-	-	-	-
Depreciation charge for the year	(5,165)	(54,998)	(151,860)	(212,023)
Elimination of accumulated depreciation on revaluation	-	-	2,390,825	2,390,825
Net book value as at 30 June 2025	46,487	524,075	4,929,999	5,500,561



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	Furniture and fixtures	Office equipment	Vehicles	Total
At 30 June 2024				
Cost/revalued amount	271,815	2,306,160	2,998,265	5,576,240
Accumulated depreciation	(220,163)	(1,757,087)	(2,238,965)	(4,216,215)
Net book value in Rupees	51,652	549,073	759,300	1,360,025
Annual rates of depreciation 2024	10%	10%	20%	
At 30 June 2025				
Cost/revalued amount	271,815	2,336,160	4,927,999	7,535,974
Accumulated depreciation	(225,328)	(1,812,085)	2,000	(2,035,413)
Net book value in Rupees	46,487	524,075	4,929,999	5,500,561
Annual rates of depreciation 2025	10%	10%	20%	

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

Particulars	AS ON 30 JUNE 2025		
	Cost Depreciation	Accumulated Value	Written Down
Vehicle	2,996,265	2,388,825	607,440
Rupees 2025	2,996,265	2,388,825	607,440
Rupees 2024	2,998,265	2,238,965	759,300

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

The following operating fixed assets were disposed off during the year:

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

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



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Note	June 30, 2025 Rupees	June 30, 2024 Rupees
16 INVESTMENT PROPERTY		
As at beginning of the year	54,450,000	23,533,287
Fair value gain/(loss) during the year	11,100,000	30,916,713
As at end of the year	65,550,000	54,450,000
16.1 As of June 30, 2025, the carrying amount of investment property was remeasured at fair value. The difference between the fair value and the previous carrying amount has been recognized in the statement of profit or loss.		
16.2 Investment property measuring 11 Marlas and 90 Sft is situated at Sardar Iqbal Road, Gulberg V, Lahore.		
16.3 The cost of the property was RS. 23,533,287/-		
16.4 The fair value of investment property is estimated by independent PBA approved valuer Al-Wazzan Associates (Private) Limited at Rs. 65,550,000/-		
17 DEFERRED TAX ASSETS/(LIABILITY)		
Deferred tax assets / Liability	(1,253,542)	-
17.1 Breakup of deferred tax assets / (liability)		
Taxable temporary differences		
- Assets leased out under ijarah contracts	(5,679,682)	(5,288,509)
- Surplus on revaluation of vehicles	(1,253,542)	-
- Property Plant and Equipment	(108,734)	(129,007)
- Investment property	(12,184,847)	(8,965,847)
- Biological assets	(68,530)	-
	(19,295,335)	(14,383,363)
Deductible temporary differences		
- Short term investment	1,117,809	1,557,297
- Musharakah receivables	93,016	131,586
- Murabahah receivables	15,903,047	15,952,678
- Ijarah rentals receivable	1,926,934	1,926,934
- Profit receivables	6,284,272	6,289,271
- Advances, deposits, prepayments and other receivables	756,923	84,957
- Employees retirement benefits	3,298,837	3,681,345
	29,380,838	29,624,068
Deferred tax net	10,085,503	15,240,705
Deferred tax asset not recognized	(11,339,045)	(15,240,705)
Deferred tax asset/(liability)	(1,253,542)	-
17.2 Deferred tax asset/(liability) has been recognized in these financial statements using tax rates applicable for tax year 2026. Keeping in view the uncertainty about availability of sufficient taxable profits in foreseeable future, deferred tax asset amounting to Rs. 10.09 million (2024: Rs. 15.24 million) has not been recognized in these financial statements.		
18 ACCRUED AND OTHER LIABILITIES		
Management fee payable	2,722,504	2,753,209
Accrued expenses	762,622	742,454
Advance ijarah rentals	2,119,845	98,964
Withholding tax payable	85,164	34,294
Charity payable	12,853	10,274
Other payables	972,403	90,727
	6,675,391	3,729,922



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	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
19 SECURITY DEPOSITS			
Security deposits under ijarah contracts	19.1	67,973,801	54,426,788
Current maturity presented under current liabilities		(12,426,229)	(3,233,049)
Non current liabilities		55,547,572	51,193,739
19.1	These are amounts received by Modaraba against Ijarah contracts, these are adjusted against the value of assets at the end of Ijarah contract.		
20 EMPLOYEES RETIREMENT BENEFITS			
The amounts recognized on balance sheet are as follows:			
Present value of defined benefit obligation	20.1	11,375,300	12,694,292
20.1 Movement in present value of defined benefit obligation			
As at beginning of the year		12,694,292	11,291,679
Current service cost	20.2	464,504	580,671
Interest cost on defined benefit obligation	20.2	1,914,947	1,366,492
Benefit Paid		(1,820,000)	(544,550)
		13,253,743	12,694,292
Remeasurements:			
Actuarial (gains)/losses from changes in demographic assumptions		-	-
Actuarial (gains)/losses from changes in financial assumptions		(42,096)	-
Experience adjustments		(1,836,347)	-
	20.3	(1,878,443)	-
As at the end of the year		11,375,300	12,694,292
20.2 Expenses to be charged to P&L			
Current service cost		464,504	580,671
Interest cost on defined benefit obligation		1,914,947	1,366,492
		2,379,451	1,947,163
20.3 Remeasurements recognized in other comprehensive income			
Actuarial (gains) / losses from changes in demographic assumptions		-	-
Actuarial (gains) / losses from changes in financial assumptions		(42,096)	-
Experience adjustments		(1,836,347)	-
		(1,878,443)	-
20.4 Significant actuarial assumptions			
Discount rate used for interest cost charged in P&L		16.25%	13.25%
Discount rate used for year end obligation		11.75%	16.25%
Salary increase used for year end obligation			
Salary increase FY 2025		9.75%	N/A
Salary increase FY 2026		9.75%	14.25%
Salary increase FY 2027		9.75%	14.25%
Salary increase FY 2028		9.75%	14.25%
Salary increase FY 2029		9.75%	14.25%
Salary increase FY 2030		9.75%	14.25%
Salary increase FY 2031 onwards		9.75%	14.25%
Next salary is increased at		July 01, 2025	July 01, 2024



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

20.5 Historical information

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Historical information					
Present value of defined benefit obligation	Rupees 11,375,300	12,694,292	11,291,679	10,669,018	9,277,791
Actuarial adjustment arising during the year	% 0.90	1.12	1.06	1.15	1.02

20.6 Future expectation

The estimated expenses to be charged to P & L during the year ending June 30, 2025 amounts to Rs.2.379451 million. The actual cost will be determined after valuation of the Fund as at June 30, 2026 when the actuarial gains and losses arising during the year ending June 30, 2025 are available.

20.7 Additional disclosure items

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

Discount rate + 100 bps	11,131,157	12,373,778
Discount rate - 100 bps	11,636,644	12,111,823
Salary increase + 100 bps	11,644,182	12,028,066
Salary increase - 100 bps	11,119,821	11,766,111
Average duration of the defined benefit obligation	2 years	4 years

21 CONTINGENCIES AND COMMITMENTS

Contingencies

- 21.01** Proceedings for Tax Year 2021 were initiated by the Deputy Commissioner Inland Revenue (the DCIR), AEOI Zone, Lahore vide notice bearing reference no. AEOI-LHR/RFI/147 dated 20-06-2022 under Section 182(1)(17) of the Ordinance wherein the DCIR intended to impose penalty for late filing of CRS (Common Reporting Standards) Return. The Modaraba through its AR (Authorized Representative) complied the said notice by stating that the CRS Return was filed within due date i.e. 31-03-2021. No further correspondence has been received from the tax department till date.
- 21.02** Proceedings for Tax Year 2020 were initiated by the Assistant Commissioner Inland Revenue (the ACIR), Audit-III, Range-I, Unit-IV, Corporate Tax Office, (CTO) Lahore vide notice bearing barcode no. 10000093113633 dated 03-03-2021 under Rule 44(4) of Income Tax Rules, 2002 (the Rules). Last reply in this regard was submitted on 08-03-2021. No further correspondence has been received from the tax department till date.
- 21.03** Proceedings for Tax Year 2019 were initiated by the ACIR, Audit-III, Range-I, Unit-IV, CTO, Lahore vide notice bearing barcode No. 10000093113670 dated 03-03-2021 under Rule 44(4) of the Income Tax Rules, 2002. The Modaraba through its AR (Authorized Representative) duly complied the said notice through letter bearing reference no. Ref: IT/F-05/25/634 dated 21-06-2025. The DCIR without rebutting to the contentions made along with supporting data furnished concluded the proceedings and passed the Order bearing barcode no. 100000244823553 dated 28-06-2025 and raised tax demand of Rs.2,215,250/- u/s 161/205 of the Ordinance.
- Being aggrieved from the above Order, the Modaraba preferred an appeal before the CIR-A vide letter bearing reference no. Ref: IT/F-05/25/770 dated 25-07-2025. However, the case is pending for fixation till date.
- 21.04** The DCIR, E & C, Unit-VII, Range II, Zone VI, CTO, Lahore issued notice u/s 161(1A) of the Ordinance for Tax Year 2018 bearing barcode no. 100000074325898 dated 08-06-2020. The Modaraba through its AR made compliance of the aforesaid notice by submitting various replies. Last reply in this regard was submitted on 10-06-2024. Later on, the DCIR Zone-IV, CTO on 14-06-2024 finalized the proceedings by passing Order bearing bar code no 100000198270296 u/s 161 (1A) and raised tax demand of Rs 3,922,791/-.
- The taxpayer through its AR preferred an appeal before CIR-A. The appeal was heard on 13-12-2024 and the CIR-A vide Order bearing barcode no. 100000223455883 dated 27-12-2024 deleted the impugned demand to the extent of Rs. 59,102/- and remanded the



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remaining points back to the DCIR with the directions to proceed afresh after providing reasonable opportunity of being heard to the Appellant.

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

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

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

Being aggrieved from the aforesaid Order, the Modaraba preferred second appeal before the Honourable Appellate Tribunal Inland Revenue (the ATIR) which is pending adjudication till date.

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

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

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

The DCIR, Audit-III, Unit-II, Range-I, CTO, Lahore issued notice u/s 161(1A) of the Ordinance 2001 bearing barcode no. 100000128628549 dated 17-08-2022. The Modaraba through its AR made partial compliance by submitting reply bearing reference no. IT/F-05/22/901 dated 26-08-2022 and seek adjournment of two weeks for provisioning of remaining data. The DCIR proceeded ex-parte and without curtailing the extension already granted and preferred to pass the Order bearing barcode no. 100000129737546 dated 05-09-2022, raising tax demand of Rs 9,939,972/-.

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

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

Being aggrieved from the above Order, the Modaraba again preferred an appeal before the CIR-A through letter bearing reference no. Ref: IT/F-05/25/740 dated 18-07-2025. However, the case is pending for fixation till date.

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

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



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

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

Remand back proceedings for Tax Year 2016 were initiated by the DCIR, Unit 07, Range -II, Zone-IV, CTO, Lahore, vide notice bearing barcode no. 100000074325651 dated 09-01-2025. The Modaraba through its AR made partial compliance by submitting reply bearing reference no. Ref: IT/F-05/25/29 dated 16-01-2025. Later on, the DCIR without issuing any notice, proceeded ex-parte and passed the Order bearing barcode no. 100000244093174 dated 19-06-2025 raising tax demand of Rs 1,777,655/-.

Being aggrieved from the above order the Modaraba again preferred an appeal before the CIR-A vide its letter bearing reference no. Ref: IT/F-05/25/741 dated 18-07-2025. However, the case is pending for fixation till date.

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

The Modaraba duly complied the notice by submitting all the relevant reconciliations alongwith documents through various replies. Last reply bearing reference No. IT/F-05/21/258 in this regard was submitted on 02-03-2021. Subsequently, the DCIR concluded the proceedings by passing Order bearing barcode No. 100000098602176 u/s 161/205 of the Ordinance dated 12-06-2021 raising an impugned demand of Rs. 2,538,710/-.

Being aggrieved from the said Order, the Modaraba filed an appeal before CIR-A on 09-07-2021. The main appeal was heard on 03-10-2022 and the CIR-A vide Order bearing barcode no. 100000133217728 dated 11-10-2022 remanded the case back to the DCIR with the directions to proceed afresh after providing reasonable opportunity of being heard to the Appellant.

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

Being aggrieved from the said Order, the Modaraba again preferred an appeal before the CIR-A through letter bearing reference no. Ref: IT/F-05/25/738 dated 18-07-2025. However, the case is pending for fixation till date.

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

Commitments **Nil** **Nil**

22 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Modaraba certificates of Rs. 10 each 10,000,000 (2024: 10,000,000) certificates issued for cash	100,000,000	100,000,000
1,340,000 (2024: 1,340,000) certificates issued as full paid bonus certificates	13,400,000	13,400,000
	113,400,000	113,400,000
23 OTHER RESERVES		
Statutory reserve	23.1 32,870,088	32,870,088
	32,870,088	32,870,088

23.1 Statutory reserves represent profits set aside in compliance with the requirements of prudential regulations for Modarabas issued by SECP.



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	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
24 REVALUATION SURPLUS ON VEHICLES - NET OF DEFERRED TAX			
Revaluation surplus on vehicles	24.1	3,069,017	-
24.1 Opening Balance		-	-
Revaluation surplus during the year		4,322,559	-
Related deferred tax		(1,253,542)	-
Closing Balance		3,069,017	-
The revaluation of vehicles was carried out by an independent PBA approved valuer Al-Wazzan Associates (Private) Limited as at 30 June 2025. Under Modaraba regulations, the revaluation reserve on property and equipments has been shown separately from equity.			
25 UNREALIZED GAIN / (LOSS) ON REVALUATION OF INVESTMENT - FAIR VALUE THROUGH OCI			
Fair value through other comprehensive income	25.1	(4,281,096)	(7,211,014)
25.1 Opening Balance		(7,211,014)	(13,058,341)
Gain / (loss) on fair value during the year		2,929,918	5,847,327
Related deferred taxation		-	-
Closing Balance		(4,281,096)	(7,211,014)
Under Modaraba regulations, the FVOCI reserves has been shown separately from equity.			
26 INCOME FROM IJARAH FINANCING			
Income from ijarah rental		36,539,427	32,249,458
Ijarah income (suspended) / recovered - net	26.1	-	-
		36,539,427	32,249,458
Gain on disposal of ijarah assets		611,835	
		37,151,262	32,249,458
26.1 This represents ijarah income recovered/(suspended) in accordance with the prudential regulations applicable to the Modaraba.			
27 INCOME FROM MURABAHAH FINANCING			
Murabahah income recovered	27.1	17,236	330
		17,236	330
27.1 This represents murabahah income recovered in accordance with the prudential regulations applicable to the Modaraba.			
28 RETURN ON INVESTMENTS			
Dividend income-Gross		3,197,479	4,922,326
Gain / (loss) on sale of investments		-	805,657
		3,197,479	5,727,983
29 OTHER INCOME			
Return on bank deposits - Shariah Compliant		217,943	260,189
Gain on sale of fixed assets		2,499	20,084
Misc. income		93,109	25
		313,551	280,298
30 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries and benefits	30.1	11,296,065	10,593,516
Rent, rates and taxes		178,180	35,280
Utilities		955,024	853,369
Repair and maintenance		654,043	676,265
Printing and stationery		532,788	501,256
Communication		200,177	221,161
Postage		119,428	152,133
Travelling and conveyance		1,025,898	841,988
Insurance/Takaful		111,525	133,787



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	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Advertisement		19,661	19,661
Fee and subscription		633,983	646,856
Newspapers, books and periodicals		5,625	3,425
Entertainment		194,345	57,887
Auditors' remuneration	30.2	490,000	490,000
Legal and professional charges		1,644,250	1,762,168
Shariah Advisor		235,200	235,200
Registrar services		334,080	320,073
Depreciation	15	212,023	256,655
Zakat and charity		12,853	10,274
Others		314,698	272,389
		19,169,846	18,083,343
30.1 These include charge in respect of employees retirement benefits amounting to Rs.2,379,451/- (2024: Rs. 1,947,163/-).			
30.2 Auditors' remuneration			
Annual statutory Audit		300,000	300,000
Half yearly review		90,000	90,000
Review report under Code of Corporate Governance		75,000	75,000
Out of pocket expenses		25,000	25,000
		490,000	490,000
31 MANAGEMENT FEE			
Management Fee		654,295	2,753,209
The Modaraba Management Company is entitled to a fee for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the net annual profits of the Modaraba. The fee for the year ended 30 June 2025 is Rs. 654,295/-(2024: Rs. 2,753,209/-).			
32 LEVY AND TAXATION			
Levy	32.1	(1,193,216)	-
Taxation	32.2	-	(1,137,171)
		(1,193,216)	(1,137,171)
32.1 Levy			
Final tax		(736,258)	-
Minimum tax		(456,958)	-
		(1,193,216)	-
32.2 TAXATION			
Current taxation			
For the year		-	(1,141,471)
Prior year		-	4,300
		-	(1,137,171)
Deferred tax		-	-
		-	-
- Income tax return has been filed to the income tax authorities up to and including tax year 2024 under the provisions of the Income Tax Ordinance, 2001. No numeric reconciliation has been presented, being practicable. - In view of uncertainty about taxable profits in foreseeable future against which losses could be utilized, the Company has not recognized deferred tax asset amount.			
33 EARNINGS PER CERTIFICATE - BASIC AND DILUTED			
Earnings attributable to certificate holders	Rupees	4,695,434	23,641,709
Weighted average number of certificates outstanding during the year	No. of certificates	11,340,000	11,340,000
Earnings per certificate	Rupees	0.41	2.08
There is no diluting effect on the basic earnings per certificate of the Modaraba			



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	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
34 CASH GENERATED FROM OPERATIONS			
Profit/(Loss) before taxation		5,888,650	24,778,880
Adjustments for non-cash and other items			
Depreciation of assets under own use		212,023	256,655
Depreciation of assets leased out under ijarah contracts		26,388,228	23,693,723
Gain on sale of investments		-	(805,657)
Dividend income		(3,197,479)	(4,922,326)
Gain on transfer of assets leased out		(611,835)	-
Gain on sale of property and equipment		(2,499)	(20,084)
Loss on sale of biological assets		202,814	-
Provision for employees retirement benefits		2,379,451	1,947,163
Fair value gain on biological Assets		(236,312)	-
Finances under murabahah arrangements		171,140	12,735
Finances under musharakah arrangements		133,000	133,000
Fair value gain on investment property		(11,100,000)	(30,916,713)
Reversal of provision for doubtful murabahah receivables		(304,140)	(145,735)
		14,034,391	(10,767,239)
Operating profit before changes in working capital		19,923,041	14,011,641
Operating profit before changes in working capital- carried forward		19,923,041	14,011,641
Changes in working capital			
Ijarah rentals receivable		207,160	1,190,634
Profit receivable		(17,236)	(330)
Advances, deposits, prepayments and other receivables		(6,886,967)	(536,491)
Security deposits		13,547,013	5,193,214
Accrued and other liabilities		2,945,469	2,384,956
		9,795,439	8,231,983
Cash generated from operations		29,718,480	22,243,624
35 CASH AND CASH EQUIVALENTS			
Cash and bank balances	4	8,268,717	6,103,477

36 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

36.1 Transaction with related party during the year

Name	Nature of relationship	Nature of transaction	June 30, 2025 Rupees	June 30, 2024 Rupees
Crescent Modaraba Management Company Limited	Management Company	Management fee	685,000	-
			685,000	-

36.2 Payable to related parties

Name	Nature of relationship	Accounts Balances	June 30, 2025 Rupees	June 30, 2024 Rupees
Crescent Modaraba Management Company Limited	Management Company	Management fee payable	2,722,504	2,753,209
			2,722,504	2,753,209



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37 FINANCIAL INSTRUMENTS

37.1 Financial instruments by class and category

Financial assets as at June 30, 2024

	Note	At fair value through profit or loss Rupees	at amortized cost Rupees	At fair value through profit or loss Rupees	Total Rupees
Cash and bank balances	4	-	8,268,717	-	8,268,717
Short term investments	5	-	-	15,897,985	15,897,985
Short term investments in Mutual Funds	6	9,655,248	-	-	9,655,248
Finances under musharakah arrangements	7	-	-	-	-
Finances under murabahah arrangements	8	-	16,403	-	16,403
Ijarah rentals receivable	9	-	461,454	-	461,454
Profit receivable	10	-	-	-	-
Advances to employees	11	-	3,080,377	-	3,080,377
Security deposits	11	-	40,450	-	40,450
Other receivables	11	-	890	-	890
		9,655,248	11,868,291	15,897,985	37,421,524

Financial assets as at June 30, 2024

	Note	At fair value through profit or loss Rupees	at amortized cost Rupees	At fair value through profit or loss Rupees	Total Rupees
Cash and bank balances	4	-	6,103,477	-	6,103,477
Short term investments	5	-	-	11,054,452	11,054,452
Short term investments in Mutual Funds	6	23,629,108	-	-	23,629,108
Finances under musharakah arrangements	7	-	-	-	-
Finances under murabahah arrangements	8	-	16,403	-	16,403
Ijarah rentals receivable	9	-	668,614	-	668,614
Profit receivable	10	-	-	-	-
Advances to employees	11	-	3,369,085	-	3,369,085
Security deposits	11	-	40,450	-	40,450
Other receivables	11	-	706,629	-	706,629
		23,629,108	10,904,658	11,054,452	45,588,218

Financial liabilities

	Note	2025 Financial liabilities at Amortized cost Rupees	2024 Financial liabilities at amortized cost Rupees
Accrued expenses	18	762,622	742,454
Management fee payable	18	2,722,504	2,753,209
Charity payable	18	12,853	10,274
Other payables	18	972,403	90,727
		4,470,382	3,596,664

Fair value hierarchy

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

	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
June 30, 2025				
Financial Assets:				
Short term investments	15,897,985	-	-	15,897,985
Short term investments in Mutual Funds	9,655,248	-	-	9,655,248
June 30, 2024				
Financial Assets:				
Short term investments	11,054,452	-	-	11,054,452
Short term investments in Mutual Funds	23,629,108	-	-	23,629,108

37.2 Fair values of financial instruments

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



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37.2.1 Methods of determining fair values

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

37.2.2 Discount/interest rates used for determining fair values

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

38 FINANCIAL RISK EXPOSURE AND MANAGEMENT

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

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

38.1 Credit risk

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

38.1.1 Maximum exposure to credit risk

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

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Financial assets			
Cash and bank balances	4	8,268,717	6,103,477
Finances under musharakah arrangements	7	-	-
Finances under murabahah arrangements	8	16,403	16,403
Ijarah rentals receivable	9	461,454	668,614
Profit receivable	10	-	-
Other receivables	11	890	706,629
		8,747,464	7,495,123

38.1.2 Concentration of credit risk

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

Customers and other parties	478,747	1,391,646
Banking companies and financial institutions	8,268,717	6,103,477
	8,747,464	7,495,123

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

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



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	2024					
	Ijarah rentals Receivable	Finances under Murabahah arrangements	Finances under Musharakah arrangements	Profit receivables	Others receivables	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Services	-	-	-	533,301	706,629	1,239,930
Textile	-	23,720,130	-	14,288,302	476,036	38,484,468
Transport	-	-	453,744	923,610	503,804	1,881,158
Electrical and engineering	-	-	-	255,647	-	255,647
Packaging	-	3,180,619	-	3,013,864	132,928	6,327,411
Individuals	7,228,942	28,124,891	-	2,672,415	1,555,222	39,581,470
	<u>7,228,942</u>	<u>55,025,640</u>	<u>453,744</u>	<u>21,687,139</u>	<u>3,374,619</u>	<u>87,770,084</u>

38.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, except for balances with customers where credit quality is assessed by reference to historical information about counterparty default rates and present ages.

Counterparties with external credit ratings

These include banking companies, which are counterparties to cash deposits. These counterparties have reasonably high credit ratings as determined by various credit rating agencies and management does not expect non-performance by these counterparties on their obligations to the Modaraba.

Counterparties without external credit ratings

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

	2025		2024	
	Gross Carrying Amount	Accumulated Impairment	Gross carrying Amount	Accumulated Impairment
	Rupees	Rupees	Rupees	Rupees
Neither past due nor impaired	890	-	706,629	-
Past due by upto 90 days	462,254	462,254	584,341	584,341
Past due by 90 to 180 days	-	-	431,319	431,319
Past due by 180 days to 1 year	-	-	1,437,730	1,437,730
Past due by 1 to 2 years	431,319	431,319	431,319	431,319
Past due by 2 to 3 years	1,869,049	1,869,049	2,450,533	2,450,533
Past due by 3 years or more	2,450,533	2,450,533	1,725,503	1,725,503
5 year or more	81,158,005	81,141,598	80,002,710	79,986,303
	<u>86,372,050</u>	<u>86,354,753</u>	<u>87,770,084</u>	<u>87,047,048</u>

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

38.1.4 Collateral held

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

38.1.5 Credit risk management

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

38.2 Liquidity risk

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



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38.3 Market risk

38.3.1 Currency risk

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

38.3.2 Profit rate risk

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

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Fixed rate instruments			
Financial Assets			
Finances under musharakah arrangements	7	-	-
Finances under murabahah arrangements	8	16,403	16,403
Ijarah rentals receivable	9	461,454	668,614
Floating rate instruments			
Financial Assets			
Bank balances - saving accounts	4	7,761,724	5,495,331
Short term investments in Mutual Funds	6	9,655,248	23,629,108

38.3.3 Price risk

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

The Modaraba is exposed to unfavorable changes in the fair value of the investments in listed equity securities as a result of the changes in the equity prices. The particulars of investments exposed to price risk as at the reporting date are referred to note 5 to the financial statements.

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
39 SHARIAH SCREENING DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX			
Shariah Compliant bank deposit / bank balances	4	8,208,395	6,031,892
Profit earned from Shariah Compliant bank deposit / bank balances	29	217,943	260,189
Revenue earned from shariah compliant business segments	26 & 27	37,168,498	32,249,788
Gain / loss or dividend earned from shariah compliant investment	28	3,197,479	5,727,983
Short term investment	5	15,897,985	11,054,452
Short term investment in mutual funds	6	9,655,248	23,629,108

40 CAPITAL MANAGEMENT

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

41 SEGMENT REPORTING

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



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Types of segments

- Ijara finances
- Short term investment

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

The Chief Executive Officer monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit, profit from operations, reduction in operating cost and free cash flows. There were no transfers between operating segments during the year (2024: Nil).

	30-06-2025			30-06-2024		
	Ijara finance	Return on investment	Total	Ijara finance	Return on investment	Total
	Rupees			Rupees		
Segment revenues						
Gross revenue from external customer	37,151,262	3,197,479	40,348,741	32,249,458	5,727,983	37,977,441
Depreciation on assets under ijara	(26,388,228)	-	(26,388,228)	(23,693,723)	-	(23,693,723)
Net Revenue	10,763,034	3,197,479	13,960,513	8,555,735	5,727,983	14,283,718
Reportable segment profit	<u>10,763,034</u>	<u>3,197,479</u>	<u>13,960,513</u>	<u>8,555,735</u>	<u>5,727,983</u>	<u>14,283,718</u>
Reportable segment assets	<u>114,150,471</u>	<u>25,553,233</u>	<u>139,703,704</u>	<u>98,673,539</u>	<u>34,683,560</u>	<u>133,357,099</u>
Reportable segment liabilities	<u>67,973,801</u>	<u>-</u>	<u>67,973,801</u>	<u>54,426,788</u>	<u>-</u>	<u>54,426,788</u>

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

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Revenues			
Total revenues for reportable segments		40,348,741	37,977,441
Other revenue		11,971,239	31,343,076
Modaraba's revenues		52,319,980	69,320,517
Profit			
Total profit for reportable segments		13,960,513	14,283,718
Other income		11,971,239	31,343,076
Administrative and general expenses		(19,169,846)	(18,083,343)
Other Operating expenses		(218,961)	(11,362)
Modaraba management company's fee		(654,295)	(2,753,209)
		5,888,650	24,778,880
Assets			
Total assets for reportable segments		139,703,704	133,357,099
Corporate assets unallocated:			
Cash and bank balances		8,268,717	6,103,477
Short term finances under musharakah arrangements - Secured		-	-
Short term finances under murabahah arrangements - Secured		16,403	16,403
Profit receivable - Secured		-	-
Advances, deposits, prepayments and other receivables		12,520,801	5,633,834
Biological Assets		711,112	-
Advance income tax		75,280	417,679
Property and equipment		5,500,561	1,360,025
Investment property		65,550,000	54,450,000
		92,642,874	67,981,418
Total assets as per statement of financial position		232,346,578	201,338,517
Liabilities			
Total liabilities for reportable segments		67,973,801	54,426,788
Corporate assets unallocated:			
Accrued and other liabilities		6,675,391	3,729,922
Unclaimed profit distribution		8,376,835	8,457,185
Employees retirement benefits		11,375,300	12,694,292
		26,427,526	24,881,399
Total liabilities as per the statement of financial position		94,401,327	79,308,187



FIRST ELITE CAPITAL MODARABA

42 REMUNERATION OF OFFICERS AND OTHER EMPLOYEES

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

	2025		
	Officers	Other Employees	Total
	Rupees	Rupees	Rupees
Managerial remuneration	2,804,700	2,356,179	5,160,879
Allowances and perquisites	2,066,971	1,688,764	3,755,735
Post employment benefits	1,300,132	1,079,319	2,379,451
	<u>6,171,803</u>	<u>5,124,262</u>	<u>11,296,065</u>
Number of employees at year end	<u>3</u>	<u>8</u>	<u>11</u>
Average no. of employees during the year	<u>3</u>	<u>8</u>	<u>11</u>
2024			
	Officers	Other Employees	Total
	Rupees	Rupees	Rupees
Managerial remuneration	2,710,200	2,304,594	5,014,794
Allowances and perquisites	2,064,240	1,567,319	3,631,559
Post employment benefits	1,075,223	871,940	1,947,163
	<u>5,849,663</u>	<u>4,743,853</u>	<u>10,593,516</u>
Number of employees at year end	<u>3</u>	<u>10</u>	<u>13</u>
Average no. of employees during the year	<u>3</u>	<u>10</u>	<u>13</u>

43 RECOVERABLE AMOUNTS AND IMPAIRMENT

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

44 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on September 30, 2025.

45 GENERAL

Figures have been rounded off to the nearest rupee.

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

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

Chairman

Chief Executive

Director

Chief Financial Officer



GENDER PAY GAP STATEMENT

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

As required under the SECP Circular No. 10 of 2024 the following Gender pay gap calculated for the year ended June 30, 2025.

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

For and on behalf of the Board of Directors

Aamir Iftikhar Khan
Chief Executive Officer



FIRST ELITE CAPITAL MODARABA

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Year ended June 30, 2025

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

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

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

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



FIRST ELITE CAPITAL MODARABA

a) Audit Committee

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

b) HR and Remuneration Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committee were as per following;
 - a) Audit Committee Quarterly
 - b) HR and Remuneration Committee Annually
15. The board has outsourced the internal audit function to M/S Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company;
16. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Regulation No.	Description	Explanation
1.	24	The same person shall not simultaneously hold office of chief financial officer and the company secretary.	The current CFO and Company Secretary is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost-effective measure that is in the better interest of the certificate holders of the Modaraba, therefore hiring a separate person for both position is not feasible.

MUNEEB AHMED DAR
Chairman

Date: September 30, 2025



FIRST ELITE CAPITAL MODARABA

PATTERN OF CERTIFICATE HOLDERS AS AT JUNE 30, 2025

NUMBER OF CERTIFICATE HOLDERS	CERTIFICATE HOLDINGS FROM	TO	TOTAL CERTIFICATE HELD
2,372	1	100	112,402
430	101	500	135,522
1,107	501	1,000	651,437
237	1,001	5,000	511,666
34	5,001	10,000	248,653
24	10,001	15,000	295,009
8	15,001	20,000	142,605
2	20,001	25,000	47,492
13	25,001	30,000	362,495
2	35,001	40,000	74,487
1	40,001	45,000	41,050
1	50,001	55,000	54,626
2	55,001	60,000	114,200
1	80,001	85,000	84,624
1	100,001	105,000	105,000
1	105,001	110,000	110,000
1	110,001	115,000	110,132
1	225,001	230,000	226,500
1	390,001	395,000	392,620
1	700,001	720,000	714,173
1	1,130,001	1,135,000	1,134,000
1	5,670,001	5,675,000	5,671,307
4,242			11,340,000



FIRST ELITE CAPITAL MODARABA

CATEGORIES OF CERTIFICATE HOLDING AS AT JUNE 30, 2025

CATEGORIES OF CERTIFICATE HOLDERS	NUMBERS	CERTIFICATE HELD	PERCENTAGE
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES			
Crescent Modaraba Management Co. Ltd.	1	1,134,000	10.00
NIT			
CDC-Trustee National Investment (Unit) Trust	1	392,620	3.46
DIRECTORS, CEO AND THEIR SPOUSES AND MINOR CHILDREN	5	842,935	7.43
Mr. Muhammad Javed Amin		714,173	
Mrs. Shahana Javed Amin		105,000	
Mrs. Rukhsana Javed Amin		8,700	
Mr. Ghazanfar Farrokh		14,942	
Mrs. Ayesha Aslam		120	
EXECUTIVE		-	-
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS	9	81,616	0.72
JOINT STOCK COMPANIES	20	234,144	2.06
INDIVIDUALS	4,206	8,654,685	76.33
TOTAL	4,242	11,340,000	100.00

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

Mr. Nauman Rathore	5,671,307	50.01
Crescent Modaraba Management Company Limited	1,134,000	10.00



FIRST ELITE CAPITAL MODARABA

KEY OPERATING AND FINANCIAL DATA

YEAR	2025	2024	2023	2022	2021	2020
Rupees in million						
Revenues	52.32	69.32	34.00	36.11	48.22	38.37
Profit/(Loss) after Management Fee & Taxation	4.69	23.64	(7.06)	(7.22)	4.26	(5.27)
Paid up Capital	113.40	113.40	113.40	113.40	113.40	113.40
Certificate Holder's Equity	137.90	129.24	92.54	99.28	113.39	106.90
Current Liabilities	27.48	15.42	15.74	25.86	28.06	17.45
Fixed Assets	184.74	153.81	123.96	111.98	118.52	134.71
Current Assets	47.61	47.52	38.94	55.99	67.30	46.39
Dividend (%)	-	-	-	-	3.00	-
Earning/(Loss) per Certificate	0.41	2.08	(0.62)	(0.64)	0.38	(0.46)
Break up Value	12.16	11.40	8.16	8.76	10.00	9.43



FIRST ELITE CAPITAL MODARABA

Independent Auditors' Review Report To The Certificate Holders of First Elite Capital Modaraba Review Report on Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Crescent Modaraba Management Company Limited** (the Modaraba management company) for and on behalf of **First Elite Capital Modaraba** (the Modaraba) for the year ended 30 June 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

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

Sr. No.	Paragraph Reference	Description
1.	19	The same person simultaneously holds office of chief financial officer and the company secretary.

Ilyas Saeed & Co.
Chartered Accountants

Date: September 30, 2025

Place: Lahore

UDIN: CR202510278KWnFBr7qg



FIRST ELITE CAPITAL MODARABA

Shariah Advisor's Report

I have conducted the Shariah review of **First Elite Capital Modaraba** managed by **Crescent Modaraba Management Company Limited** for the year ended June 30, 2025 in accordance with the requirements of the Shariah Compliance and Shariah Audit Mechanism for Modarabas. Based on my review I report that in my opinion:

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

Recommendation(s)

- A few remaining Non Shariah Non Tradable equity instruments will be disposed off when they would be tradable equity instruments.
- Non Shariah Compliant shares of Pakistan Telecommunication Company Limited, Attock Cement Pakistan Limited, National Refinery Limited, Waves Corporation Limited and Crescent Steel & Allied Products Limited should be disposed off at the earliest.

Conclusion

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

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

Mufti Muhammad Umar
Shariah Advisor

Date: September 30, 2025



FIRST ELITE CAPITAL MODARABA

NOTICE OF ANNUAL REVIEW MEETING

Notice is hereby given that 26th Annual Review Meeting of certificate holders of First EliteCapital Modaraba will be held on Tuesday, October 28, 2025 at 2:30 p.m. at 50-A, Garden Block, New Garden Town, Lahore to review the performance of the Modaraba for the year ended June 30, 2025. The Certificate Holders whose names appear on the Register of Certificate Holders of the Modaraba as on October 21, 2025 will be eligible to attend the Meeting.

Muhammad Arif Hilal

Company Secretary

Crescent Modaraba Management Company Limited

Manager of First Elite Capital Modaraba

Date: October 06, 2025

Place: LAHORE

Note:

1. The Certificate Transfer Books shall remain closed from October 22, 2025 to October 28, 2025 (both days inclusive.) Transfers received in order at the office of our Registrar M/s Corptec Associates (Pvt) Limited, 503-E, Johar Town, Lahore, before the close of business on October 21, 2025 will be treated in time for the purpose of eligibility to attend the Annual Review Meeting.
2. CDC certificate holders desiring to attend the meeting are requested to bring their original CNIC, Account and participant's ID number for identification purpose.

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FIRST ELITE CAPITAL MODARABA

Managed By
Crescent Modaraba Management Company Limited

PRINCIPAL & REGISTERED OFFICE
50-A, Garden Block,
New Garden Town, Lahore - Pakistan
Tel: 35442735-36
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