



FIRST PARAMOUNT MODARABA

**(An Islamic Financial Institution)
Managed by: Paramount Investments Limited**

September 30, 2022



QUARTERLY REPORT



**For Long Term 'BBB', For Short Term A-3
Out Look - Rating Watch Developing
VIS Credit Rating Company**





First Paramount Modaraba
(An Islamic Financial Institution)

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Mission & Vision

1. It is our firm commitment to operate the Modaraba activities in accordance with Islamic Sharia with Its true spirit.
2. To employ the Modaraba funds in best possible way and to promote the human talents, to maximize the profit for certificate holders.
3. It is our mission to constantly endeavour for excellence in all spheres of business activity, maintain its eminent market position, promote lasting relationship with our customers and other stakeholders, and construct a durable and vibrant Pakistan.



STATEMENT OF ETHICS AND BUSINESS PRACTICES

We believe a complete code of ethics is a prerequisite for all Directors and employees of First Paramount Modaraba. We endeavour to the philosophy behind the code of ethics to carry out honestly activities assigned to them. Our aim is to have highest standard of excellence for the product and the betterment for all those involved directly or indirectly with our Modaraba.

CORPORATE INFORMATION
FIRST PARAMOUNT MODARABA
MANAGED BY: PARAMOUNT INVESTMENTS LIMITED

BOARD OF DIRECTORS

Mr. Tanveer Ahmed Magoon	Chairman
Mr. Syed Wajih Hasan	Chief Executive Officer
Mr. Nadeem Iqbal	Director
Mr. Pir Muhammad Kalia	Director
Mr. Abrar Ahmed	Director
Mr. Habib Ahmed Navaid	Independent Director
Mr. Humayun Mazhar Qureshi	Independent Director

AUDIT COMMITTEE

Mr. Habib Ahmed Navaid	Chairman
Mr. Pir Muhammad Kalia	Member
Mr. Nadeem Iqbal	Member

HUMAN RESOURCE COMMITTEE

Mr. Humayun Mazhar Qureshi	Chairman
Mr. Tanveer Ahmed Magoon	Member
Mr. Nadeem Iqbal	Member
Mr. Syed Wajih Hasan	Member

CHIEF FINANCIAL OFFICER / COMPANY SECRETARY

Mr. Muhammad Ifham Khan

SHARIAH ADVISOR

Mufti Muhammad Farhan Farooq

SHARIAH CONSULTANT

Mufti Muhammad Najeeb Khan

CREDIT RATING

Long term **BBB** Short Term **A-3**
Out Look **Rating Watch Developing**
By **VIS Credit Rating Company**

AUDITORS OF THE MODARABA

M/s Riaz Ahmed & Co
Chartered Accountants

AUDITORS OF THE MODARABA MANAGEMENT COMPANY

M/s Hafizullah & Co.
Chartered Accountants

LEGAL ADVISOR

M/s Raja Qasit Nawaz, Advocates

BANKERS

Meezan Bank Limited
Bank Islami Pakistan Limited
Al Baraka Bank (Pakistan) Limited
Habib Metropolitan Bank Limited -Islamic Banking
Habib Bank Limited
Faysal Bank Limited

REGISTERED OFFICE

Suit # 107, 108, 1st Floor, P.E.C.H.S. Community Office Complex,
Block-2 PECHS, Shahrah-e-Quaiden, Karachi.
Phone: 34381037-38-52 & 34381101. Fax: 34534410
E-mail: info@fpm.com.pk
Web: www.fpm.com.pk

SHARE REGISTRAR

THK ASSOCIATES (PVT) LTD.
1ST Floor, 40-C, Block-6, PECHS,
Karachi - 75400. P.O. Box No. 8533.
Tel: 111-000-322 Fax: 34168271
Web: www.thk.com.pk
Email: sfc@thk.com.pk

DIRECTOR'S REPORT TO THE CERTIFICATE-HOLDERS

The Directors of Paramount Investments Limited, the management Company of First Paramount Modaraba, hereby present the unaudited financial statements for the period ended on 30th September, 2022.

After tax profits of the Modaraba for the first quarter stood at PKR 1,398,086/= (EPS = 0.101). This is lower by PKR 4,594,041/= as compared to Modaraba's profits for the same period last year.

Last year, FPM Petro, one of Modaraba's in house venture, performed extraordinarily during the period from July 2021 to September 2021. Therefore, the results were exceptional during that period. We anticipate that the same venture will perform better in the second quarter of the current financial year. Other factor that has affected the growth in business is the existing highly volatile political situation. Businesses are disinclined to take longer term decisions and tend to wait for the dust to settle.

FPM's in-house venture, FPM AML/CFT Compliance Solutions, is progressing very well, Alhumdulillah, its clientele now includes various industry leaders. This financial year will (InshAllah) surely witness significant revenue from this venture, adding into the profits of Modaraba.

Modaraba is committed to fully comply with the 'New Modaraba regulations', especially for the requirements relating to enhancement in Equity and Credit Rating. In this regard, a road map will be shared (and agreed) with the Honorable Registrar, in the coming weeks. Restriction on the issuance of Dividends till the time Modaraba attains the minimum Equity level of PKR 500 million, is also under discussion with the Regulators.

Acknowledgement:

Management of the Modaraba and the Board of Director recognize the continual patronage and cooperation of the regulators. especially of the offices of Registrar Modaraba, Security Exchange Commission of Pakistan, Islamabad and State Bank of Pakistan.

Management also appreciates hard-work and dedication of the staff members of Modaraba.

For and on behalf of Board of Directors of
Paramount Investments Limited (PIL)
Managers of First Paramount Modaraba
S/d

Syed Wajih Hassan
(Chief Executive Officer)

Karachi.

Date: October 27, 2022

**FIRST PARAMOUNT MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2022**

		(Un-audited) 30 September 2022 Rupees	(Audited) 30 June 2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	3	12,494,408	12,293,712
Murabaha financing	4	56,055,603	63,815,311
Musharaka financing		12,000,000	12,000,000
Loan to employees		153,360	165,899
Long-term deposits		324,500	324,500
		81,027,871	88,599,422
CURRENT ASSETS			
Stores and spares		35,872,021	8,680,320
Trade debtors		46,256,792	67,736,511
Advances, prepayments and other receivables		32,593,570	30,489,742
Modaraba financing		1,923,382	1,923,382
Short-term murabaha financing	5	14,428,487	20,218,487
Current portion of murabaha financing	4	62,871,950	71,575,236
Current portion of diminishing musharaka financing	6	2,043,756	3,466,606
Current portion of musharaka financing		23,000,000	28,000,000
Current portion of loans to employees		776,140	839,601
Advance against Morabaha		6,200,000	-
Accrued profit		4,735,703	4,192,588
Tax refunds due from Government		54,325,833	47,600,423
Cash and bank balances		94,536,744	78,990,927
		379,564,378	363,713,823
Assets classified as held for sale		14,162,256	14,162,256
		393,726,634	377,876,079
		474,754,505	466,475,500
EQUITY AND LIABILITIES			
CERTIFICATE CAPITAL AND RESERVES			
Authorised certificate capital		250,000,000	250,000,000
25,000,000 certificates of Rupees 10 each			
Issued, subscribed and paid-up certificate capital		137,884,193	137,884,193
Capital reserves		56,033,671	54,635,585
Revenue reserves		22,392,468	22,392,468
		216,310,332	214,912,246
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income		11,107,150	13,933,772
Certificates of musharaka	7	133,246,285	131,615,000
		144,353,434	145,548,772
CURRENT LIABILITIES			
Creditors, accrued and other liabilities		23,059,906	14,141,880
Current portion of deferred income		8,492,140	10,653,277
Current portion of certificates of musharaka	7	46,453,715	45,885,000
Accrued profit on certificates of musharaka		2,377,873	2,198,270
Unclaimed profit distributions		21,135,469	21,135,469
Provision for taxation		5,722,933	5,151,884
		107,242,037	99,165,780
Liabilities associated with assets classified as held for sale		6,848,702	6,848,702
		258,444,173	251,563,254
TOTAL LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES		474,754,505	466,475,500

The annexed notes from 01 to 10 form an integral part of these financial statements.

For Paramount Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

**FIRST PARAMOUNT MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

		Three months ended	
	Note	30 September 2022 Rupees	30 September 2021 Rupees
Operating income	8	50,705,277	128,104,010
Operating cost			
Operating expenses		(45,507,456)	(115,938,214)
(Provision)/Reversal for doubtful recoveries		-	-
		(45,507,456)	(115,938,214)
		5,197,821	12,165,796
Other income		1,507,748	362,233
Financial charges		(4,472,990)	(2,959,303)
		2,232,579	9,568,726
Modaraba Company's management fee		(223,258)	(956,873)
		2,009,321	8,611,853
Provision for Sindh Workers' Welfare Fund		(40,186)	(172,237)
Profit before taxation		1,969,135	8,439,616
Taxation	9	(571,049)	(2,447,489)
Profit after taxation		1,398,086	5,992,127
Earnings per certificate - basic and diluted		0.101	0.435

The annexed notes from 01 to 10 form an integral part of these financial statements.

For Paramount Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

**FIRST PARAMOUNT MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	Three months ended	
	30 September 2022	30 September 2021
Note	Rupees	Rupees
Profit after taxation	1,398,086	5,992,127
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit and loss account	-	-
Items that may be reclassified subsequently to profit and loss account	-	-
Other comprehensive income for the Period	-	-
Total comprehensive income for the Period	1,398,086	5,992,127

The annexed notes from 01 to 10 form an integral part of these financial statements.

For Paramount Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

**FIRST PARAMOUNT MODARABA
CONDENSED INTERIM STATEMENT CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	30 September 2022	30 September 2021
	Note	
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,969,135	8,439,616
Adjustments for non-cash items:		
Depreciation and amortization	610,623	268,758
Provision for Sindh Workers' Welfare Fund	40,186	172,237
Financial charges	4,472,990	2,959,303
Provision for Taxation	571,049	-
	5,694,848	3,400,298
Operating profit before working capital changes	7,663,983	11,839,914
(Increase) / decrease in current assets		
Murabaha financing - net	22,252,994	7,916,245
Diminishing Musharaka financing - net	1,422,850	4,991,492
Musharaka financing - net	5,000,000	(2,592,000)
Modaraba financing - net	-	5,800,000
Loans to employees	76,000	466,000
Stores and spares	(27,191,701)	(5,746,335)
Trade debtors - net	21,479,719	(111,911,200)
Advances, prepayments and other receivables	(8,303,828)	2,388,955
Taxation	(571,049)	(2,447,489)
Accrued profit	(543,115)	242,546
(Decrease) / increase in current liabilities		
Deferred income	(4,987,759)	
Creditors, accrued and other liabilities	8,877,840	23,742,667
Net cash generated from operations	25,175,934	(65,309,205)
Financial charges paid	(23,903)	(13,356)
Tax (paid) / refunded - net	(6,725,410)	342,269
Net cash generated from operating activities	18,426,621	(64,980,292)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(811,320)	(116,000)
Net cash (used in)	(811,320)	(116,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Certificate of Musharaka - issuance	11,850,000	12,015,000
Certificate of Musharaka - redemptions	(9,650,000)	(6,975,000)
Profit paid to certificates of Mushraka (COM) holder	(4,269,484)	(3,125,331)
Net cash used in financing activities	(2,069,484)	1,914,669
Net increase in cash and cash equivalents	15,545,817	(63,181,623)
Cash and cash equivalents at beginning of the period	78,990,927	95,126,239
Cash and cash equivalents at end of the Period	94,536,744	31,944,616

The annexed notes from 01 to 10 form an integral part of these financial statements.

For Paramount Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

FIRST PARAMOUNT MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Issued, subscribed and paid up certificate capital	Reserves					Total
		Capital		Total	Revenue		
		Merger reserve	Statutory reserve		Unappropriated profit		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Balance as at 01 July 2021	137,884,193	1,935,160	50,709,070	52,644,230	20,631,836	211,160,259	
Transaction with owners: Profit distribution for the year ended 30 June 2021 @ Rupees 0.45 per certificate	-	-	-	-	(6,204,790)	(6,204,790)	
Total comprehensive income:							
Profit after taxation	-	-	-	-	5,992,127	5,992,127	
Other comprehensive income	-	-	-	-	5,992,127	5,992,127	
Transferred to statutory reserve @ 20%	-	-	1,198,425	1,198,425	(1,198,425)	-	
Balance as at 30 September 2022	137,884,193	1,935,160	51,907,495	53,842,655	19,220,748	210,947,596	
Balance as at 01 July 2022	137,884,193	1,935,160	52,700,425	54,635,585	22,392,468	214,912,246	
Total comprehensive income:							
Profit after taxation	-	-	-	-	1,398,086	1,398,086	
Other comprehensive income	-	-	-	-	1,398,086	1,398,086	
Transferred to statutory reserve @ 100%	-	-	1,398,086	1,398,086	(1,398,086)	-	
Balance as at 30 September 2022	137,884,193	1,935,160	54,098,511	56,033,671	22,392,468	216,310,332	

The annexed notes from 01 to 10 form an integral part of these financial statements.

For Paramount Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

**FIRST PARAMOUNT MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

1. LEGAL STATUS AND OPERATIONS

First Paramount Modaraba (the Modaraba) is a multi purpose, perpetual and multidimensional Modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed there under and is managed by Paramount Investments Limited (the Management Company), a company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on June 26, 1994.

The Modaraba is listed on the Pakistan Stock Exchange Limited. The registered office of the Modaraba is situated at Karachi, in the province of Sindh.

Modaraba's principal activities include deployment of funds on murabaha, modaraba and musharaka arrangements and its in-house ventures are (a) Generator rental and sale project under the name "AL-BURQ Associates", (b) Electrical maintenance and troubleshooting services' under the name of "FPM Solutions" and (c) Chemical business under the name of "FPM Petro Services" (d) Engineering products and solutions to upstream service companies under the name of " FPM Geo Dynamics International".

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements of the Modaraba for the three months period ended September 30, 2022 are unaudited and being submitted to the certificate holders as required under Modaraba Companies and Modaraba Rules, 1981 and have been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting", Companies Act 2017, Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas (hereinafter referred to as the relevant laws).

The condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Modaraba as at and for the year ended June 30, 2022.

2.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Modaraba's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupees, except otherwise stated.

2.3 Significant accounting policies, estimates and judgments

The accounting policies and methods of computation followed for the preparation of these financial statements are same as those applied in preparing the financial statements for the year ended June 30, 2022.

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Modaraba's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2022.

3. FIXED ASSETS

Tangible
Intangible

Sep 30, 2022	June 30, 2022
----- (Rupees) -----	
12,105,676	11,873,461
388,732	420,251
<u>12,494,408</u>	<u>12,293,712</u>

3.1. ADDITIONS & DISPOSALS MADE DURING THE PERIOD

	(Un-audited) 30 SEPT 2022	(Audited) 30 JUNE 2022
	----- (Rupees) -----	----- (Rupees) -----
Additions during the period		
Computers	141,500	134,000
Office and other equipments	13,000	18,900
Furnitures and fixtures	620,000	
Vehicles	36,820	8,191,195
	<u>811,320</u>	<u>8,344,095</u>

4. MURABAHA FINANCING - secured

	(Un-audited) 30 SEPT 2022	(Audited) 30 JUNE 2022
	----- (Rupees) -----	----- (Rupees) -----
Considered good	118,927,553	135,390,547
Considered doubtful	<u>2,506,985</u>	<u>2,506,985</u>
	121,434,538	137,897,532
Provision for doubtful recoveries	<u>(2,506,985)</u>	<u>(2,506,985)</u>
	118,927,553	135,390,547
Current portion of long-term murabaha financing	<u>(62,871,950)</u>	<u>(71,575,236)</u>
	<u>56,055,603</u>	<u>63,815,311</u>

5. SHORT-TERM MURABAHA RECEIVABLES - secured

	(Un-audited) 30 SEPT 2022	(Audited) 30 JUNE 2022
	----- (Rupees) -----	----- (Rupees) -----
Considered good	14,428,487	20,218,487
Considered doubtful	-	-
	<u>14,428,487</u>	<u>20,218,487</u>
Provision for doubtful recoveries	-	-
	<u>14,428,487</u>	<u>20,218,487</u>

**6. DIMINISHING MUSHARAKA
FINANCING - secured**

	(Un-audited) 30 SEPT 2022	(Audited) 30 JUNE 2022
	----- (Rupees) -----	----- (Rupees) -----
Considered good	2,043,756	3,466,606
Current portion of long-term diminishing musharaka financing	<u>(2,043,756)</u>	<u>(3,466,606)</u>
	<u>-</u>	<u>-</u>

7. CERTIFICATES OF MUSHARAKA

	(Un-audited) 30 SEPT 2022	(Audited) 30 JUNE 2022
	----- (Rupees) -----	----- (Rupees) -----
Opening balance	177,500,000	177,545,000
Issuance	11,850,000	29,040,000
Redemptions	<u>(9,650,000)</u>	<u>(29,085,000)</u>
	179,700,000	177,500,000
Less: Current portion certificates of musharaka	<u>(46,453,715)</u>	<u>(45,885,000)</u>
	<u>133,246,285</u>	<u>131,615,000</u>

		(Un-audited) 30 SEPT 2022	(Un-audited) 30 SEPT 2021
8. OPERATING INCOME			
		----- (Rupees) -----	
Profit on murabaha receivables		4,987,759	5,430,409
Profit on diminishing musharaka		103,937	474,816
Profit on musharaka projects		450,000	450,000
Income from FPM Solutions	8.1	4,631,042	1,179,025
Income from FPM Petro Income	8.2	40,532,539	120,569,760
		<u>50,705,277</u>	<u>128,104,010</u>

8.1 This represents income generated from business of FPM Solutions representing Modaraba's share on proportionate basis. This also includes income from Service Level Agreements (SLA) entered into by FPM Solutions with various clients to provide services in respect of stand by generators, UPS and other power back up solutions.

8.2 This represents income generated from chemical business of FPM Petro Services. The Modaraba's share of income is 60%.

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 27, 2022

10. GENERAL

Corresponding figures have been reclassified / re-arranged wherever necessary to facilitate comparison in the presentation in the current period. However, there are no material reclassification / re-arrangement to report.

Figures have been rounded off to the nearest rupee.

Chief Financial Officer

Chief Executive Officer

Director


Director





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
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*Mobile apps are also available for download for android and ios devices

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Printed Matter

Under Postal Certificate

First Paramount Modaraba
(An Islamic Financial Institution)

REGISTERED OFFICE

Suite#: 107-108, 1st Floor, P.E.C.H.S. Community Office Complex,
Block-2, P.E.C.H.S. Shahra-e-Quaideen, Karachi.
Ph: 34381037 - 38 - 52, Fax: 34534410,
Email: customersupport@fpm.com.pk
Web: www.fpm.com.pk