

FIRST PARAMOUNT MODARABA

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

December 31, 2024

Half Yearly REPORT

For Long Term 'BBB', For Short Term A-3
Out Look - Stable
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. Abrar Ahmed	Director
Mrs. Shahida Tanweer	Director
Mr. Humayun Mazhar Qureshi	Independent Director
Mr. Habib Ahmed Navaid	Independent Director

AUDIT COMMITTEE

Mr. Habib Ahmed Navaid	Chairman
Mr. Nadeem Iqbal	Member
Mr. Abrar Ahmed	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. Syed Mudassir Ali

SHARIAH ADVISOR

Mufti Muhammad Farhan Farooq

SHARIAH CONSULTANT

Mufti Muhammad Najeeb Khan

CREDIT RATING

Long term **BBB** Short Term **A-3**

Outlook **Stable**

By **VIS Credit Rating Company**

AUDITORS OF THE MODARABA

M/s Crowe Hussain Chaudhury & 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.
32-C, Jami Commercial Street 2,
D.H.A Phase VII, Karachi 75500
Pakistan
UAN : +92 (021) 111-000-322
Tel : +92 (021) 35310191-6
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DIRECTORS' REPORT TO THE CERTIFICATE-HOLDERS OF FIRST PARAMOUNT MODARABA

The Directors of Paramount Investment Limited, Management Company of First Paramount Modaraba, are pleased to present the unconsolidated and consolidated financial statements for the half year ended 31 December 2024.

The country's economic landscape, though showing signs of recovery, continues to present challenges for businesses. Persistent political uncertainty and a volatile macroeconomic environment have created an atmosphere of caution, impacting growth prospects. Despite these challenges, the Modaraba has maintained its commitment to financial stability, sustainable growth, and innovation, with a focus on delivering value to our certificate-holders.

During this half yearly period, the Modaraba posted a pre-tax profit of Rs. 18,522,683 compared to Rs. 20,153,987 for the same period last year, a decrease of Rs. 1,631,304 (8%) from the corresponding period last year. The after-tax profit stood at Rs. 13,151,105 reflecting a decrease of Rs. 1,585,772 (11%) from the corresponding period last year. Earnings per certificate for the period is Rs. 0.95 while it was at Rs. 1.07 per certificate in the same period last year. Despite a slight decline in profit figures, the Board remains confident in the Modaraba's potential to achieve improved profitability and strong growth. This positive outlook is supported by the Modaraba's strategic initiatives focused on innovation, leveraging advanced technologies along with traditional means to drive long term success.

FPM Petro Services, an integral in-house division of the Modaraba, continues to progress well and remained a key contributor to the Modaraba's overall profitability. During this six-month period, revenue from this division grew by 18% compared to the same period last year. With ongoing efforts to expand the product portfolio and consistently introduce new offerings, the division is well-positioned for continued growth in the future.

FPM AML-CHECK, another division of the Modaraba, is steadily advancing in its screening solutions. It has gained widespread recognition in Pakistan, effectively catering to local regulatory requirements. In a short period, our domestic operations have demonstrated robust growth, establishing a strong customer base and a solid foundation for future expansion. Over the next two quarters, we aim to build on this momentum and drive further growth.

Paramount Compliance (Private) Limited (PCPL), a wholly owned subsidiary of the Modaraba, is well positioned to further scale up the AML / CFT business. Strategic initiatives are underway to secure the necessary licenses and finalize agreements, ensuring alignment with the Modaraba's strategic objectives. Its foreign arm, Complytech Global Limited, is incorporated in the United Kingdom to launch AML / CFT compliance solutions in emerging international markets across South Asia, Southeast Asia, Africa, and the Middle East.

Through these strategic initiatives in the regulatory technology sector, the Modaraba is well-positioned to achieve significant financial and operational milestones by the end of the financial year. In addition to healthy returns from local operations, the Modaraba expects to generate substantial foreign inflows, contributing to our country's foreign exchange reserves and enhancing the value of Modaraba's efforts for the business.

DigiEstate, another project of the Modaraba, which is currently in “Regulatory Sandbox” testing phase of the SECP is also expected to transform the Modaraba’s operational landscape and scale. Leveraging its technical expertise, the Modaraba has facilitated the development of a shariah compliant “Asset Fractionalization Platform”. This forward-looking venture underscores the Modaraba’s focus on technology-based ventures in its strategic pursuit of growth.

As per revised Modaraba Regulations issued on 15 August 2022 by SECP, all deposit taking Modarabas are required to maintain a minimum equity of Rs. 500 million (FPM’s equity stands at Rs. 263 million) and a minimum credit rating of “A-” (FPM’s current rating is BBB) within three years. Additionally, the regulations restricted the issuance of dividends to Modaraba’s certificate-holders until these conditions are met. The Board of Directors and Management of the Modaraba are fully committed to ensuring compliance with these regulations and meeting the stipulated criteria.

Moving forward, the Management and the Board will continue to focus on improving Modaraba’s operational efficiency, expanding its businesses, exploring new innovative and tech-based growth avenues in untapped markets, and delivering long-term value to our certificate-holders.

The Management of the Modaraba and the Board of Directors recognizes the continued patronage and cooperation of the regulators, especially of the offices of Registrar Modaraba, Securities and Exchange Commission of Pakistan. The Board also appreciates hard work and dedication of the staff members of the Modaraba.

For and on behalf of the Board of Directors of
Paramount Investments Limited
Managers of First Paramount Modaraba

Mr. Syed Wajih Hassan
Chief Executive Officer

Mr. Nadeem Iqbal
Director

Karachi
Date: February 26, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Certificate Holders of First Paramount Modaraba

Report on Review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **First Paramount Modaraba** ("the Modaraba") as at December 31, 2024 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). The Modaraba Management Company (Paramount Investment Limited) is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of unconsolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements as at and for the half year ended December 31, 2024 are not prepared, in all material respects, in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to the Note 11.1 to the accompanying unconsolidated condensed interim financial statements which states that the Modaraba is non-complaint with certain conditions given in Regulation 19 of the Modaraba Regulations, 2021. However, based on legal opinion, the Modaraba understands that the compliance period is extended to 3 years for compliance under Regulation 19, via amendments notified subsequently. Our conclusion is not modified in respect of this matter.

Other Matters

The unconsolidated condensed interim financial statements for the half year ended December 31, 2023 and annual financial statement of the Modaraba for the year ended June 30, 2024 were reviewed and audited by another firm of Chartered Accountants who have expressed an unmodified conclusion and unmodified opinion thereon vide their reports dated February 28, 2024 and October 04, 2024.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three months period ended December 31, 2024 and December 31, 2023 have not been reviewed, as we were required to review only the cumulative figures for the six months period ended December 31, 2024.

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

Crowe Hussain Chaudhury & Co. Chartered Accountants

Place: Karachi

Date: February 27, 2025

UDIN: RR202410207FIGV8RYAI

**FIRST PARAMOUNT MODARABA
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

		31 December 2024	30 June 2024
	Note	Rupees	Rupees
NON-CURRENT ASSETS			
Fixed assets	5	20,018,298	13,308,344
Long Term Investments	6	9,980	9,980
Murabaha financing	7	23,374,385	31,982,963
Musharaka financing	8	12,000,000	12,000,000
Loan to employees		273,503	385,503
Long-term deposits		264,500	264,500
		55,940,666	57,951,290
CURRENT ASSETS			
Stock in trade		22,223,621	24,102,663
Trade debtors	9	222,267,271	175,324,983
Advances, prepayments and other receivables		23,724,703	17,212,171
Short-term murabaha financing		19,166,668	-
Current portion of murabaha financing	7	27,864,607	43,479,040
Current portion of musharaka financing	8	13,949,054	13,949,054
Current portion of loans to employees		210,000	210,000
Short-term deposit		2,707,194	2,707,194
Accrued profit		972,410	1,532,576
Tax refunds due from Government		79,097,641	70,020,921
Short Term Investment		22,616,107	21,308,669
Cash and bank balances	10	18,131,865	47,115,806
		452,931,141	416,963,077
		508,871,807	474,914,367
TOTAL ASSETS			
EQUITY AND LIABILITIES			
CERTIFICATE CAPITAL AND RESERVES			
Authorized share 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		102,869,291	89,718,187
Revenue reserves		22,392,468	22,392,468
		263,145,952	249,994,848
NON - CURRENT LIABILITIES			
Deferred income		3,741,700	7,962,634
Certificates of musharaka	11	115,975,000	121,150,000
		119,716,700	129,112,634
CURRENT LIABILITIES			
Creditors, Accrued & other Liabilities		47,195,747	16,373,672
Current portion of deferred income		7,139,248	7,139,248
Current portion of certificates of musharaka	11	47,250,000	47,250,000
COM matured parties		2,800,000	2,800,000
Accrued profit on certificates of musharaka		3,000,164	3,514,280
Unclaimed profit distributions		18,623,996	18,729,685
		126,009,155	95,806,885
CONTINGENCIES AND COMMITMENTS			
	12	-	-
		508,871,807	474,914,367
TOTAL EQUITY AND LIABILITIES			

The annexed notes 1 to 18 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2024**

	Note	Six-months period ended 31 December		Three-months period ended 31 December	
		2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
Operating income	13	295,106,412	254,647,915	151,816,759	95,058,900
Operating cost					
Operating expenses		(267,567,532)	(225,769,396)	(137,620,046)	(86,413,234)
(Provision)/Reversal for doubtful recoveries		360,103	365,760	-	365,760
		(267,207,429)	(225,403,636)	(137,620,046)	(86,047,474)
		27,898,983	29,244,279	14,196,713	9,011,426
Other income		4,665,426	3,276,198	2,608,527	1,226,360
Financial charges		(11,563,635)	(9,670,151)	(5,916,153)	(3,985,866)
		21,000,774	22,850,326	10,889,087	6,251,920
Modaraba Company's management fee		(2,100,077)	(2,285,033)	(1,088,908)	(625,192)
		18,900,697	20,565,293	9,800,179	5,626,728
Provision for Sindh Workers' Welfare Fund		(378,014)	(411,306)	(196,004)	(112,535)
Profit before taxation		18,522,683	20,153,987	9,604,175	5,514,193
Levy		(3,577,187)	(3,066,513)	(3,577,187)	(1,122,390)
Taxation		(1,794,391)	(2,350,597)	791,976	(49,180)
Profit after taxation		13,151,105	14,736,877	6,818,964	4,342,623
Earnings per certificate - basic & diluted	14	0.95	1.07	0.49	0.31

The annexed notes 1 to 18 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2024**

	Six-months period ended 31 December		Three-months period ended 31 December	
	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
Profit after taxation	13,151,105	14,736,877	6,818,964	4,342,623
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	13,151,105	14,736,877	6,818,964	4,342,623

The annexed notes 1 to 18 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
UNCONSOLIDATED INTERIM CASHFLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024**

	Six-Months Period Ended 31 December	
	2024 Rupees	2023 Rupees
Cash flows from operating activities		
Profit before taxation	18,522,683	20,153,987
Adjustments for non-cash changes and other items		
Depreciation and amortization	1,654,856	1,096,285
Gain on disposal	(1,531,012)	-
Provision for Sindh Workers' Welfare Fund	378,014	411,306
Financial charges	11,563,635	9,670,151
Provision for Taxation	-	-
(Reversal of provision) / Provision for doubtful recoveries	(360,103)	(365,760)
	11,705,390	10,811,982
Net cash flow before working capital changes	30,228,073	30,965,969
(Increase) / decrease in current assets		
Murabaha financing - net	5,416,446	33,970,731
Diminishing Musharaka financing - net	-	132,611
Musharaka financing - net	-	3,000,000
Modaraba financing - net	-	590,000
Loans to employees	112,000	65,998
Long-term deposits	-	-
Stores and spares	1,879,042	3,170,146
Trade debtors - net	(46,942,288)	(158,180,160)
Advances, prepayments and other receivables	(6,512,532)	6,476,790
Short-term deposit	-	50,000
Receivable from Al-burq associates	-	700,000
Short Term Investment	(1,307,438)	1,171,977
Accrued profit	560,166	1,271,005
	(46,794,604)	(107,580,902)
(Decrease) / increase in current liabilities		
Deferred income	(4,220,934)	(4,161,343)
Creditors, accrued and other liabilities	30,444,061	79,858,651
Cash (used in)/generated from operations	9,656,596	(917,625)
Financial charges paid	(5,437)	(12,244)
Tax (paid) / refunded - net	(14,448,298)	(5,253,555)
	(14,453,735)	(5,265,799)
Net cash outflow from operating activities	(4,797,139)	(6,183,424)
Cash flows from investing activities		
Purchase of fixed assets	(8,988,798)	(180,898)
Sale proceed on disposals of fixed assets	2,155,000	-
Net cash used in investing activities	(6,833,798)	(180,898)
Cash flows from financing activities		
Certificate of Musharaka - issuance	12,775,000	7,575,000
Certificate of Musharaka - redemptions	(17,950,000)	(20,625,000)
Profit paid to certificates of Musharaka (COM) holder	(12,072,315)	(10,226,705)
Profit distributed to Certificate holders	(105,689)	(495,512)
Net cash generated from financing activities	(17,353,004)	(23,772,217)
Net (decrease) / increase in cash and cash equivalents	(28,983,941)	(30,136,539)
Cash and cash equivalent at the beginning of the period	47,115,806	46,413,056
Cash and cash equivalent at the end of the period	18,131,865	16,276,517

The annexed notes 1 to 18 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

FIRST PARAMOUNT MODARABA

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024**



First Paramount Modaraba
(An Islamic Financial Institution)

	Issued, subscribed and paid up certificate capital	Reserves					Total
		Capital			Revenue		
		Merger reserve	Statutory reserve	Total	Rupees	Unappropriated profit	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2023	137,884,193	1,935,160	59,240,549	61,175,709	22,392,468		221,452,370
Total comprehensive income:							
Profit after taxation	-	-	-	-	28,542,477		28,542,477
Other comprehensive income	-	-	-	-	28,542,477		28,542,477
Transferred to statutory reserve @ 100%	-	-	28,542,477	28,542,477	(28,542,477)		-
Balance as at 30 June 2024	137,884,193	1,935,160	87,783,026	89,718,186	22,392,468		249,994,847
Total comprehensive income:							
Profit after taxation	-	-	-	-	13,151,105		13,151,105
Other comprehensive income	-	-	-	-	13,151,105		13,151,105
Transferred to statutory reserve @ 100%	-	-	13,151,105	13,151,105	(13,151,105)		-
Balance as at 31 December 2024	137,884,193	1,935,160	100,934,131	102,869,291	22,392,468		263,145,952

The annexed notes from 1 to 18 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR SIX MONTH PERIOD ENDED 31 DECEMBER 2024**

1 LEGAL STATUS AND OPERATIONS

- 1.1** First Paramount Modaraba ("the Modaraba") is a multipurpose, 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 Modaraba), 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 is situated at Suit No. 107- 108, First Floor, P.E.C.H.S. Community Office Complex, Block 2, Shahrāh-e-Quaideen, Karachi, in the province of Sindh.

The Modaraba's principal activities include deployment of funds on murabaha, modaraba and musharaka arrangements and its in-house ventures are:

- (a) Electrical maintenance and troubleshooting services' under the name of "FPM Solutions" and
- (b) Chemical business under the name of "FPM Petro Services".

- 1.2** These unconsolidated condensed interim financial statement are separate financial statements of Modaraba in which investment in subsidiary have been accounted for at cost less accumulated impairment losses, if any.

- 1.3** The VIS Credit Rating Company has reaffirmed entity ratings of the Modaraba at BBB (Long term) / A3 (short term) given on 16 January 2025.

2 BASIS OF PREPARATION

Statement of compliance

- 2.1** These unconsolidated condensed interim financial statements of the Modaraba have been prepared in accordance with:

- International Accounting Standards 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB);
- The requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulation 2021 and directives issued by the Securities and Exchange Commission of Pakistan (SECP);

In case where the requirements differ, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, the Modaraba Regulation, 2021 and directives issued by SECP shall prevail.

- 2.2** These unconsolidated financial statements have been prepared on the historical cost basis.
- 2.3** These unconsolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Modaraba's functional and presentation currency and figures presented in these unconsolidated condensed interim financial statements have been rounded off to the nearest rupee.
- 2.4** These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statement, and should be read in conjunction with the annual financial statement of the Modaraba for the year ended 30 June 2024.

3 MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER ACCOUNTING POLICIES

The material and other accounting policies, estimates, Judgements and methods of computation followed in the preparation of this unconsolidated condensed interim financial statements are the same as those applied in the preparation of the published annual financial statement for the year ended 30 June 2024.

4 FINANCIAL RISK MANAGEMENT

There has been no significant changes in the risk management policies since the year end.

The unconsolidated condensed interim financial statement do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Modaraba's audited annual financial statements for the year ended 30 June 2024.

		31 December 2024 Rupees	30 June 2024 Rupees
5 FIXED ASSETS	Note		
Tangible assets	5.1	19,843,262	13,102,420
Intangible assets	5.2	175,036	205,924
		<u>20,018,298</u>	<u>13,308,344</u>
5.1 Tangible assets			
Opening net book value		13,102,420	12,071,509
Addition during the period / year		8,988,798	3,634,427
Disposal during the period/ year		(1,623,968)	(322,048)
Depreciation charged during the period / year		(623,988)	(2,281,468)
Closing net book value		<u>19,843,262</u>	<u>13,102,420</u>
5.2 Intangible assets			
Opening net book value		205,924	294,176
Amortization charged during the period/ year		(30,888)	(88,252)
Closing net book value		<u>175,036</u>	<u>205,924</u>
6 LONG TERM INVESTMENT			
At cost:			
Investment in subsidiary-related party	6.1	9,980	9,980
6.1 The Modaraba has subscribed 998 ordinary shares of Paramount Compliance (Private) Limited, representing 99.8% of share capital of Paramount Compliance (Private) Limited.			
7 MURABAHA FINANCING - SECURED	Note	31 December 2024 Rupees	30 June 2024 Rupees
Considered good		51,238,992	75,462,003
Considered doubtful		1,755,465	2,115,568
		<u>52,994,457</u>	<u>77,577,571</u>
Less: Provision for doubtful recoveries	7.1	(1,755,465)	(2,115,568)
		<u>51,238,992</u>	<u>75,462,003</u>
Less: Current portion of murabaha financing		(27,864,607)	(43,479,040)
		<u>23,374,385</u>	<u>31,982,963</u>
7.1 Movement in provision for doubtful recoveries			
Opening Balance		2,115,568	2,388,324
Charge for the period		-	367,425
Reversal made during the period		(360,103)	(640,181)
		<u>(360,103)</u>	<u>(272,756)</u>
Closing Balance		<u>1,755,465</u>	<u>2,115,568</u>
7.2 The Modaraba has sold goods under Murabaha arrangements whereby payment is deferred along with specified profit margin. Murabaha sale is receivable in installments. These arrangements are secured by way of hypothecation / pledge of stocks, mortgage of properties, demand promissory notes, charge on assets and personal guarantees. The combined forced sales value (FSV) of the underlying assets as security amounts to Rupees 439.11 million (2024: Rupees 373.947 million) in aggregate.			

7.3 Contractual installments receivable on Murabaha financing facilities:

31 DECEMBER 2024

	Principal	Profit	Total
		Rupees	
Due within one year	25,603,718	8,181,712	33,785,430
Due after one year but within five years	16,337,378	2,871,649	19,209,027
	<u>41,941,096</u>	<u>11,053,361</u>	<u>52,994,457</u>

30 JUNE 2024

	Principal	Profit	Total
		Rupees	
Due within one year	38,455,360	7,139,248	45,594,608
Due after one year but within five years	22,584,921	9,398,042	31,982,963
	<u>61,040,281</u>	<u>16,537,290</u>	<u>77,577,571</u>

31 December 2024
Rupees

30 June 2024
Rupees

8 MUSHARAKA FINANCING - secured & considered good

Musharaka agreements for:

Food products	12,000,000	12,000,000
Books printing - II	13,949,054	13,949,054
	<u>25,949,054</u>	<u>25,949,054</u>
Less: Current portion of musharaka financing	<u>(13,949,054)</u>	<u>(13,949,054)</u>
	<u>12,000,000</u>	<u>12,000,000</u>

- 8.1** The combined force sales value (FSV) of the underlying assets as security amounts to Rupees 52.6 million (30 June 2024 Rupees 52.6 million) in aggregate.

	Note	31 December 2024 Rupees	30 June 2024 Rupees
8.2 Contractual installments receivable on Musharaka financing facilities:			
Due within one year		13,949,054	13,949,054
Due after one period but within five year		<u>12,000,000</u>	<u>12,000,000</u>
		<u>25,949,054</u>	<u>25,949,054</u>

9 TRADE DEBTORS - Unsecured

Considered good		222,267,271	175,324,983
Considered doubtful		<u>469,825</u>	<u>469,825</u>
	9.1	<u>222,737,096</u>	<u>175,794,808</u>
Allowances for expected credit losses		<u>(469,825)</u>	<u>(469,825)</u>
		<u>222,267,271</u>	<u>175,324,983</u>

	Note	31 December 2024 Rupees	30 June 2024 Rupees
9.1 Movement in allowance for expected credit losses:			
Opening balance		469,825	4,441,612
Bad debt written off during the period		-	(4,400,203)
Recognized during the period			428,416
Closing balance		469,825	469,825
10 CASH AND BANK BALANCES			
Cash in hand		125,000	87,672
Cash at banks			
- Current accounts		8,009,546	9,130,126
- Deposit accounts	10.1 & 10.2	9,997,319	37,898,008
		18,131,865	47,115,806
10.1	This includes Rupees 3.621 million (30 June 2024: Rupees 5.166 million) in respect of Redemption Reserve Fund established on account of Certificate of Musharaka.		
10.2	Effective profit rate in respect of deposit accounts ranges from 6.52% to 16.05% (30 June 2024: 11.010% to 21.55%) per annum.		
		31 December 2024 Rupees	30 June 2024 Rupees
11 CERTIFICATES OF MUSHARAKA			
Opening balance		168,400,000	167,500,000
Issued during the period		12,775,000	26,375,000
Redemptions made during the period		(17,950,000)	(25,475,000)
		163,225,000	168,400,000
Less: current portion of certificates of musharaka		(47,250,000)	(47,250,000)
Closing balance		115,975,000	121,150,000
11.1	In accordance with the Regulations for Modarabas issued by the SECP through S.R.O. 284(I)/2021 dated March 05, 2021, the authority to issue Certificates of Musharaka (COM) by a Modaraba will be automatically suspended if the Modaraba becomes non-compliant with any of the condition outlined in Regulation 19 of the Regulations. However, existing Modarabas with valid permissions to issue COM, which are non-compliant, are required to achieve compliance within one year of the effective date of these regulations, provided that, during this one-year interim period, the total of COM of such Modarabas will be capped at the existing level, i.e., the outstanding balance as of the date the regulations come into force.		
	On August 15, 2022, the SECP, via S.R.O. 1547(I)/2022, amended these Regulations. These amendments extended the compliance period to three years in cases of non-compliance with the conditions outlined in Regulation 17(1) subject to certain conditions. The Modaraba, based on legal advice, understands that the compliance period for Regulation 19 is also considered as extended to 3 years given the conditions of Regulation 19 are that of Regulation 17(1).		
	As of the reporting period, the Modaraba remains non-compliant with the credit rating and minimum equity requirements stipulated in Regulation 17 and 19 respectively. The management, however, maintains that the deadline for full compliance is August 14, 2025 based on the amendments introduced on August 14, 2022, which modified the compliance timeline. This interpretation is further supported by the conduct of the Regulator. The management is confident to comply with the requirements within the extended compliance date i.e. August 14, 2025.		
11.2	These certificates have different denominations and are repayable within three months to five years. The expected share of profit on these certificates ranges from 11.00 % to 14.5% (2024: 8.5% to 14.5%) per annum.		
12 CONTINGENCIES AND COMMITMENTS			
a) Contingencies			
12.1	There has been no significant change in the status of contingencies as disclosed in the annual financial statement of the Modaraba for the year ended 30 June 2024.		
b) Commitments			
	There were no commitments as at the reporting date. (30 June 2024: Nil)		

13	OPERATING INCOME	Note	Six-months period ended 31 December		Three-months period ended 31 December	
			2024	2023	2024	2023
			Rupees	Rupees	Rupees	Rupees
	Profit on:					
	- murabaha financing		8,031,475	8,196,256	3,961,499	4,773,500
	- diminishing musharaka financing		-	70,065	-	33,615
	- musharaka financing		900,000	1,060,592	450,000	460,592
	Income from:					
	- FPM Solution		-	3,140,626	-	519,912
	- FPM Petro	13.1	286,174,937	242,180,376	147,405,260	89,271,281
			295,106,412	254,647,915	151,816,759	95,058,900

13.1 This represents income generated from chemical business of FPM Petro Services.

14	EARNINGS PER CERTIFICATE	Six-months period ended 31 December		Three-months period ended 31 December	
		2024	2023	2024	2023
		Rupees	Rupees	Rupees	Rupees
	Profit after taxation (Rupees)	13,151,105	14,736,877	6,818,964	4,342,623
	Weighted average number of certificates (Numbers)	13,788,420	13,788,420	13,788,420	13,788,420
	Earnings per certificate - Rupees	0.95	1.07	0.49	0.31

15 TRANSACTION WITH RELATED PARTIES

The related parties of the Modaraba comprise of the Management Company, musharaka arrangements, directors, key management personnel, associated company and retirement benefit funds. The transactions between the Modaraba and the related parties are carried out as per agreed terms. Transactions with related parties other than remuneration and benefits to key management personnel (which are employed by the Management Company) under the terms of their employment and those which have been disclosed elsewhere are as follows:

Transactions during the period				Six-months period ended	
				31 December 2024	31 December 2023
Relationship with the Modaraba	Name of related party	Basis of relationship	Nature of transactions	Rupees	Rupees
i. Management Company	Paramount Investments Limited	14.26% certificate holding	Management fee Payments made during the period	2,100,077 1,303,004	2,285,033 1,814,471
ii. Directors	-	-	Rent paid	1,104,198	539,928
iii. Staff retirement funds	Paramount Investments Limited - Employees' Provident Fund	Funded provident fund scheme	Contribution to the Fund	301,930	295,526
iv. Subsidiary company	Paramount Compliance (Private) Limited	99.80% shareholding	Expenses paid on behalf of subsidiary company	79,885	4,885
Balances receivable / (payable)				31 December 2024	30 June 2024
				Rupees	Rupees
i. Management Company	Paramount Investments Limited	14.26% certificate holding	Other receivables/ (payable)	(1,083,913)	-
ii. Directors	-	Director	Security deposit	217,800	217,800
iii. Staff retirement benefit funds	Paramount Investment Limited - Employees' Provident Fund	Funded provident fund scheme	Certificates of musharaka Accrued profit on certificate of musharaka	(1,400,000) (4,290)	(1,400,000) (3,953)
iv. Subsidiary company	Paramount Compliance (Private) Limited	99.80% shareholding	Other receivables	79,885	79,885

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

The company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statement for the year ended June 30, 2024. There is no change in the nature and corresponding's hierarchies of fair value level of financial instrument from those as disclosed in the audited financial statement of the company for the year ended June 30, 2024.

17 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the Board of Directors and authorized for issue on February 26, 2025.

18 GENERAL

Figures have been rounded off to the nearest rupee.

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant reclassifications were made during the period.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

Consolidated Condensed Interim Financial Statements

31 December 2024

**FIRST PARAMOUNT MODARABA
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Note	31 December 2024 Rupees	30 June 2024 Rupees
NON-CURRENT ASSETS			
Fixed assets	5	20,018,298	13,308,344
Murabaha financing	6	23,374,385	31,982,963
Musharaka financing	7	12,000,000	12,000,000
Loan to employees		273,503	385,503
Long-term deposits		264,500	264,500
		55,930,686	57,941,310
CURRENT ASSETS			
Stock in trade		22,223,621	24,102,663
Trade debtors	8	222,267,271	175,324,983
Advances, prepayments and other receivables		23,762,957	17,212,171
Short-term murabaha financing		19,166,668	-
Current portion of murabaha financing	6	27,864,607	43,479,040
Current portion of musharaka financing	7	13,949,054	13,949,054
Current portion of loans to employees		210,000	210,000
Short-term deposit		2,707,194	2,707,194
Accrued profit		972,410	1,532,576
Tax refunds due from Government		79,096,513	70,020,921
Short Term Investment		22,616,107	21,308,669
Cash and bank balances	9	18,139,817	47,123,633
		452,976,219	416,970,904
TOTAL ASSETS		508,906,905	474,912,214
EQUITY AND LIABILITIES			
CERTIFICATE CAPITAL AND RESERVES			
Authorized share capital			
25,000,000 certificates of Rupees 10 each		250,000,000	250,000,000
Issued, subscribed and paid-up certificate capital		137,884,193	137,884,193
Capital reserves		102,694,806	89,550,505
Revenue reserves		22,392,468	22,392,468
Equity attributable to certificate holders of the holding company		262,971,467	249,827,166
Non-controlling interest		(330)	(316)
Total Equity		262,971,137	249,826,850
NON - CURRENT LIABILITIES			
Deferred income		3,741,700	7,962,634
Certificates of musharaka	10	115,975,000	121,150,000
		119,716,700	129,112,634
CURRENT LIABILITIES			
Creditors, Accrued & other Liabilities		47,405,660	16,539,517
Current portion of deferred income		7,139,248	7,139,248
Current portion of certificates of musharaka	10	47,250,000	47,250,000
COM matured parties		2,800,000	2,800,000
Accrued profit on certificates of musharaka		3,000,164	3,514,280
Unclaimed profit distributions		18,623,996	18,729,685
		126,219,068	95,972,730
CONTINGENCIES AND COMMITMENTS			
	11	-	-
TOTAL EQUITY AND LIABILITIES		508,906,905	474,912,214

The annexed notes 1 to 17 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2024**

Note	Six-months period ended 31 December		Three-months period ended 31 December	
	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
Operating income	12 295,106,412	254,647,915	151,816,759	95,058,900
Operating cost				
Operating expenses	(267,574,527)	(225,773,281)	(137,627,041)	(86,417,119)
(Provision)/Reversal for doubtful recoveries	360,103	365,760	-	365,760
	(267,214,424)	(225,407,521)	(137,627,041)	(86,051,359)
	27,891,988	29,240,394	14,189,718	9,007,541
Other income	4,665,776	3,276,198	2,608,677	1,226,360
Financial charges	(11,563,808)	(9,670,151)	(5,916,240)	(3,985,866)
	20,993,956	22,846,441	10,882,155	6,248,035
Modaraba Company's management fee	(2,100,077)	(2,285,033)	(1,088,908)	(625,192)
	18,893,879	20,561,408	9,793,247	5,622,843
Provision for Sindh Workers' Welfare Fund	(378,014)	(411,306)	(196,004)	(112,535)
Profit before taxation	18,515,865	20,150,102	9,597,243	5,510,308
Levy	(3,577,187)	(3,066,513)	(3,577,187)	(1,122,390)
Taxation	(1,794,391)	(2,350,597)	791,976	(49,180)
Profit after taxation	13,144,287	14,732,992	6,812,032	4,338,738
Earnings per certificate - basic & diluted	13 0.95	1.07	0.49	0.31

The annexed notes 1 to 17 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2024**

	Six-months period ended 31 December		Three-months period ended 31 December	
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	13,144,287	14,732,992	6,812,032	4,338,738
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	<u>13,144,287</u>	<u>14,732,992</u>	<u>6,812,032</u>	<u>4,338,738</u>

The annexed notes 1 to 17 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
CONSOLIDATED INTERIM CASHFLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024**

	Six-Months Period Ended 31 December	
	2024 Rupees	2023 Rupees
Cash flows from operating activities		
Profit before taxation	18,515,865	20,150,102
Adjustments for non-cash changes and other items		
Depreciation and amortization	1,654,856	1,096,285
Gain on disposal	(1,531,012)	-
Provision for Sindh Workers' Welfare Fund	378,014	411,306
Financial charges	11,563,808	9,670,151
Provision for Taxation	-	-
(Reversal of provision) / Provision for doubtful recoveries	(360,103)	(365,760)
	11,705,563	10,811,982
Net cash flow before working capital changes	30,221,428	30,962,084
(Increase) / decrease in current assets		
Murabaha financing - net	5,416,446	33,970,731
Diminishing Musharaka financing - net	-	132,611
Musharaka financing - net	-	3,000,000
Modaraba financing - net	-	590,000
Loans to employees	112,000	65,998
Long-term deposits	-	-
Stores and spares	1,879,042	3,170,146
Trade debtors - net	(46,942,288)	(158,180,160)
Advances, prepayments and other receivables	(6,550,786)	6,476,790
Short-term deposit	-	50,000
Receivable from Al-burq associates	-	700,000
Short Term Investment	(1,307,438)	1,171,977
Accrued profit	560,166	1,271,005
	(46,832,858)	(107,580,902)
(Decrease) / increase in current liabilities		
Deferred income	(4,220,934)	(4,161,343)
Creditors, accrued and other liabilities	30,488,129	79,858,651
Cash (used in)/generated from operations	9,655,765	(921,510)
Financial charges paid	(5,609)	(12,244)
Tax (paid) / refunded - net	(14,447,170)	(5,253,555)
	(14,452,779)	(5,265,799)
Net cash outflow from operating activities	(4,797,014)	(6,187,309)
Cash flows from investing activities		
Purchase of fixed assets	(8,988,798)	(180,898)
Sale proceed on disposals of fixed assets	2,155,000	-
Net cash used in investing activities	(6,833,798)	(180,898)
Cash flows from financing activities		
Certificate of Musharaka - issuance	12,775,000	7,575,000
Certificate of Musharaka - redemptions	(17,950,000)	(20,625,000)
Profit paid to certificates of Musharaka (COM) holder	(12,072,315)	(10,226,705)
Profit distributed to Certificate holders	(105,689)	(495,512)
Net cash generated from financing activities	(17,353,004)	(23,772,217)
Net (decrease) / increase in cash and cash equivalents	(28,983,816)	(30,140,424)
Cash and cash equivalent at the beginning of the period	47,123,633	46,413,056
Cash and cash equivalent at the end of the period	18,139,817	16,272,632

The annexed notes 1 to 17 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

FIRST PARAMOUNT MODARABA
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024

	Issued, subscribed and paid up certificate capital	Reserves					Non- Controlling Interest	Total
		Capital		Revenue				
		Merger reserve	Statutory reserve	Total	Unappropriated profit			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2023	137,884,193	1,935,160	59,240,550	61,175,710	22,392,468	-	-	221,452,371
Ordinary shares issued to non-controlling interest	-	-	-	-	-	-	20	20
Total comprehensive income:								
Profit / (Loss) after taxation	-	-	-	-	28,374,795	(336)	(336)	28,374,459
Other comprehensive income	-	-	-	-	28,374,795	(336)	(336)	28,374,459
Transferred to statutory reserve @ 100%	-	-	28,374,795	28,374,795	(28,374,795)	-	-	-
Balance as at 30 June 2024	137,884,193	1,935,160	87,615,345	89,550,505	22,392,468	(316)	(316)	249,826,850
Total comprehensive income:								
Profit / (Loss) after taxation	-	-	-	-	13,144,301	(14)	(14)	13,144,287
Other comprehensive income	-	-	-	-	13,144,301	(14)	(14)	13,144,287
Transferred to statutory reserve @ 100%	-	-	13,144,301	13,144,301	(13,144,301)	-	-	-
Balance as at 31 December 2024	137,884,193	1,935,160	100,759,646	102,694,806	22,392,468	(330)	(330)	262,971,137

The annexed notes from 1 to 17 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR SIX MONTH PERIOD ENDED 31 DECEMBER 2024**

1 THE GROUP AND ITS OPERATIONS

First Paramount Modaraba

First Paramount Modaraba ("the Modaraba") is a multipurpose, 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 Modaraba), 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 is situated at Suit No. 107- 108, First Floor, P.E.C.H.S. Community Office Complex, Block 2, Shahrah-e-Quaideen, Karachi, in the province of Sindh.

The Modaraba's principal activities include deployment of funds on murabaha, modaraba and musharaka arrangements and its in-house ventures are:

- (a) Electrical maintenance and troubleshooting services' under the name of "FPM Solutions";
- (b) Chemical business under the name of "FPM Petro Services";

Paramount Compliance (Private) Limited

Paramount Compliance (Private) Limited (PCPL) was incorporated in Pakistan on August 24, 2023 as a private limited company under the Companies Act, 2017. The registered office is situated at Suit No. 107- 108, First Floor, P.E.C.H.S. Community Office Complex, Block 2, Shahrah-e-Quaideen, Karachi, in the province of Sindh. The principal activity of the Paramount Compliance Private Limited is provision of Anti Money Laundering screening services and solutions. Paramount Compliance Private Limited is yet to commence commercial operations. Non-controlling interest in the Paramount Compliance Private Limited – subsidiary company is 0.02%.

Complytech Global Limited

Complytech Global Limited is wholly owned subsidiary of Paramount Compliance (Private) Limited and was incorporated in United Kingdom on January 15, 2024 as a private limited company under the UK Companies Act, 2006. The registered office is situated at Unit 19 1-13 Adler Street, London, England, E1 1EG. Non-controlling interest in the Complytech Global Limited – subsidiary company is 0.02%

2 BASIS OF PREPARATION

Statement of compliance

2.1 These consolidated condensed interim financial statements of the Modaraba have been prepared in accordance with:

- International Accounting Standards 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB);
- The requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulation 2021 and directives issued by the Securities and Exchange Commission of Pakistan (SECP);

In case where the requirements differ, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, the Modaraba Regulation, 2021 and directives issued by SECP shall prevail.

- 2.2** These consolidated financial statements have been prepared on the historical cost basis.
- 2.3** These consolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Modaraba's functional and presentation currency and figures presented in these consolidated condensed interim financial statements have been rounded off to the nearest rupee.
- 2.4** These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statement, and should be read in conjunction with the annual financial statement of the Group for the year ended 30 June 2024.

3 MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER ACCOUNTING POLICIES

The material and other accounting policies, estimates, Judgements and methods of computation followed in the preparation of this consolidated condensed interim financial statements are the same as those applied in the preparation of the published annual financial statement for the year ended 30 June 2024.

4 FINANCIAL RISK MANAGEMENT

There has been no significant changes in the risk management policies since the year end.

The consolidated condensed interim financial statement do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's audited annual financial statements for the year ended 30 June 2024.

	Note	31 December 2024 Rupees	30 June 2024 Rupees
5 FIXED ASSETS			
Tangible assets	5.1	19,843,262	13,102,420
Intangible assets	5.2	175,036	205,924
		<u>20,018,298</u>	<u>13,308,344</u>
5.1 Tangible assets			
Opening net book value		13,102,420	12,071,509
Addition during the period / year		8,988,798	3,634,427
Disposal during the period/ year		(1,623,968)	(322,048)
Depreciation charged during the period / year		(623,988)	(2,281,468)
Closing net book value		<u>19,843,262</u>	<u>13,102,420</u>
5.2 Intangible assets			
Opening net book value		205,924	294,176
Amortization charged during the period/ year		(30,888)	(88,252)
Closing net book value		<u>175,036</u>	<u>205,924</u>
6 MURABAHA FINANCING - SECURED			
Considered good		51,238,992	75,462,003
Considered doubtful		1,755,465	2,115,568
		<u>52,994,457</u>	<u>77,577,571</u>
Less: Provision for doubtful recoveries	6.1	(1,755,465)	(2,115,568)
		<u>51,238,992</u>	<u>75,462,003</u>
Less: Current portion of murabaha financing		(27,864,607)	(43,479,040)
		<u>23,374,385</u>	<u>31,982,963</u>
6.1 Movement in provision for doubtful recoveries			
Opening Balance		2,115,568	2,388,324
Charge for the period		-	367,425
Reversal made during the period		(360,103)	(640,181)
		<u>(360,103)</u>	<u>(272,756)</u>
Closing Balance		<u>1,755,465</u>	<u>2,115,568</u>
6.2			
The Modaraba has sold goods under Murabaha arrangements whereby payment is deferred along with specified profit margin. Murabaha sale is receivable in installments. These arrangements are secured by way of hypothecation / pledge of stocks, mortgage of properties, demand promissory notes, charge on assets and personal guarantees. The combined forced sales value (FSV) of the underlying assets as security amounts to Rupees 439.11 million (30 June 2024: Rupees 373.947 million) in aggregate.			

6.3 Contractual installments receivable on Murabaha financing facilities:

31 DECEMBER 2024

	Principal	Profit	Total
		Rupees	
Due within one year	25,603,718	8,181,712	33,785,430
Due after one year but within five years	16,337,378	2,871,649	19,209,027
	<u>41,941,096</u>	<u>11,053,361</u>	<u>52,994,457</u>

30 JUNE 2024

	Principal	Profit	Total
		Rupees	
Due within one year	38,455,360	7,139,248	45,594,608
Due after one year but within five years	22,584,921	9,398,042	31,982,963
	<u>61,040,281</u>	<u>16,537,290</u>	<u>77,577,571</u>

	31 December 2024 Rupees	30 June 2024 Rupees
7 MUSHARAKA FINANCING - secured & considered good		
Musharaka agreements for:		
Food products	12,000,000	12,000,000
Books printing - II	13,949,054	13,949,054
	<u>25,949,054</u>	<u>25,949,054</u>
Less: Current portion of musharaka financing	<u>(13,949,054)</u>	<u>(13,949,054)</u>
	<u>12,000,000</u>	<u>12,000,000</u>

- 7.1** The combined force sales value (FSV) of the underlying assets as security amounts to Rupees 52.6 million (30 June 2024 Rupees 52.6 million) in aggregate.

	Note	31 December 2024 Rupees	30 June 2024 Rupees
7.2 Contractual installments receivable on Musharaka financing facilities:			
Due within one year		13,949,054	13,949,054
Due after one period but within five year		12,000,000	12,000,000
		<u>25,949,054</u>	<u>25,949,054</u>

8 TRADE DEBTORS - Unsecured

Considered good		222,267,271	175,324,983
Considered doubtful		469,825	469,825
	8.1	<u>222,737,096</u>	<u>175,794,808</u>
Allowances for expected credit losses		<u>(469,825)</u>	<u>(469,825)</u>
		<u>222,267,271</u>	<u>175,324,983</u>

	Note	31 December 2024 Rupees	30 June 2024 Rupees
8.1 Movement in allowance for expected credit losses:			
Opening balance		469,825	4,441,612
Bad debt written off during the period		-	(4,400,203)
Recognized during the period			428,416
Closing balance		<u>469,825</u>	<u>469,825</u>

9 CASH AND BANK BALANCES

Cash in hand		125,000	87,672
Cash at banks			
- Current accounts		8,009,546	9,130,126
- Deposit accounts	9.1 & 9.2	<u>10,005,271</u>	<u>37,905,835</u>
		<u>18,139,817</u>	<u>47,123,633</u>

9.1 This includes Rupees 3.621 million (30 June 2024: Rupees 5.166 million) in respect of Redemption Reserve Fund established on account of Certificate of Musharaka.

9.2 Effective profit rate in respect of deposit accounts ranges from 6.52% to 16.05% (30 June 2024: 11.010% to 21.55%) per annum.

		31 December 2024 Rupees	30 June 2024 Rupees
10 CERTIFICATES OF MUSHARAKA			
Opening balance		168,400,000	167,500,000
Issued during the period		12,775,000	26,375,000
Redemptions made during the period		<u>(17,950,000)</u>	<u>(25,475,000)</u>
		163,225,000	168,400,000
Less: current portion of certificates of musharaka		<u>(47,250,000)</u>	<u>(47,250,000)</u>
Closing balance		<u>115,975,000</u>	<u>121,150,000</u>

10.1 In accordance with the Regulations for Modarabas issued by the SECP through S.R.O. 284(I)/2021 dated March 05, 2021, the authority to issue Certificates of Musharaka (COM) by a Modaraba will be automatically suspended if the Modaraba becomes non-compliant with any of the condition outlined in Regulation 19 of the Regulations. However, existing Modarabas with valid permissions to issue COM, which are non-compliant, are required to achieve compliance within one year of the effective date of these regulations, provided that, during this one-year interim period, the total of COM of such Modarabas will be capped at the existing level, i.e., the outstanding balance as of the date the regulations come into force.

On August 15, 2022, the SECP, via S.R.O. 1547(I)/2022, amended these Regulations. These amendments extended the compliance period to three years in cases of non-compliance with the conditions outlined in Regulation 17(1) subject to certain conditions. The Modaraba, based on legal advice, understands that the compliance period for Regulation 19 is also considered as extended to 3 years given the conditions of Regulation 19 are that of Regulation 17(1).

As of the reporting period, the Modaraba remains non-compliant with the credit rating and minimum equity requirements stipulated in Regulation 17 and 19 respectively. The management, however, maintains that the deadline for full compliance is August 14, 2025 based on the amendments introduced on August 14, 2022, which modified the compliance timeline. This interpretation is further supported by the conduct of the Regulator. The management is confident to comply with the requirements within the extended compliance date i.e. August 14, 2025.

10.2 These certificates have different denominations and are repayable within three months to five years. The expected share of profit on these certificates ranges from 11.00 % to 14.5% (2024: 8.5% to 14.5%) per annum.

11 CONTINGENCIES AND COMMITMENTS

a) Contingencies

11.1 There has been no significant change in the status of contingencies as disclosed in the annual financial statement of the Group for the year ended 30 June 2024.

b) Commitments

There were no commitments as at the reporting date. (30 June 2024: Nil)

12 OPERATING INCOME	Note	Six-months period ended 31 December		Three-months period ended 31 December	
		2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
Profit on:					
- murabaha financing		8,031,475	8,196,256	3,961,499	4,773,500
- diminishing musharaka financing		-	70,065	-	33,615
- musharaka financing		900,000	1,060,592	450,000	460,592
Income from:					
- FPM Solution		-	3,140,626	-	519,912
- FPM Petro	12.1	286,174,937	242,180,376	147,405,260	89,271,281
		295,106,412	254,647,915	151,816,759	95,058,900

12.1 This represents income generated from chemical business of FPM Petro Services.

13 EARNINGS PER CERTIFICATE	Six-months period ended 31 December		Three-months period ended 31 December	
	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
Profit after taxation (Rupees)	13,144,287	14,732,992	6,812,032	4,338,738
Weighted average number of certificates (Numbers)	13,788,420	13,788,420	13,788,420	13,788,420
Earnings per certificate - Rupees	0.95	1.07	0.49	0.31

14 TRANSACTION WITH RELATED PARTIES

The related parties of the Modaraba comprise of the Management Company, musharaka arrangements, directors, key management personnel, associated company and retirement benefit funds. The transactions between the Modaraba and the related parties are carried out as per agreed terms. Transactions with related parties other than remuneration and benefits to key management personnel (which are employed by the Management Company) under the terms of their employment and those which have been disclosed elsewhere are as follows:

Transactions during the period				Six-months period ended	
Relationship with the Modaraba	Name of related party	Basis of relationship	Nature of transactions	31 December 2024 Rupees	31 December 2023 Rupees
i. Management Company	Paramount Limited	14.26% Investments certificate holding	Management fee	2,100,077	2,285,033
			Payments made during the period	1,303,004	1,814,471
ii. Directors	-	-	Rent paid	1,104,198	539,928
iii. Staff retirement funds	Paramount Investments Limited - Employees' Provident Fund	Funded provident fund scheme	Contribution to the Fund	301,930	295,526
iv. Subsidiary company	Paramount Compliance (Private) Limited	99.80% shareholding	Expenses paid on behalf of subsidiary company	79,885	4,885
Balances receivable / (payable)				31 December 2024 Rupees	30 June 2024 Rupees
i. Management Company	Paramount Investments Limited	14.26% Investments certificate holding	Other receivables/ (payable)	(1,083,913)	-
ii. Directors	-	Director	Security deposit	217,800	217,800
iii. Staff retirement benefit funds	Paramount Investment Limited - Employees Provident Fund	Funded provident fund scheme	Certificates of musharaka	(1,400,000)	(1,400,000)
			Accrued profit on certificate of musharaka	(4,290)	(3,953)
iv. Subsidiary company	Paramount Compliance (Private) Limited	99.80% shareholding	Other receivables	79,885	79,885

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual financial statement for the year ended June 30, 2024. There is no change in the nature and corresponding's hierarchies of fair value level of financial instrument from those as disclosed in the audited financial statement of the company for the year ended June 30, 2024.

16 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the Board of Directors and authorized for issue on February 26, 2025.

17 GENERAL

Figures have been rounded off to the nearest rupee.

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant reclassifications were made during the period.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR








DIRECTOR










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