

FIRST PARAMOUNT MODARABA

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

2023

ANNUAL REPORT

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

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Mission & Vision

1. It is our firm commitment to operate the Modaraba activities in accordance with Islamic Shariah 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.



First Paramount Modaraba
(An Islamic Financial Institution)

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**

Outlook **Stable**

By **VIS Credit Rating Company**

AUDITORS OF THE MODARABA

M/s Riaz Ahmad & 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

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 duly audited financial statements for the financial year ended on 30th June 2023, along with Shariah Advisor's report and Report of External Auditors to the Certificate Holders.

Modaraba has posted a pre-tax profit of Rs. 11,788,671 for the year ended June 30th 2023, as compared to Rs. 15,108,662 for the same period last year (a decrease of 21.9%). The net after-tax profits of Modaraba for the year stood at Rs. 6,540,124, lower by Rs. 3,416,653 from the last year's profits. Earning per certificate for the year stood at Rs. 0.474 while it was at Rs. 0.722 in the last year.

Ongoing crisis in the country has adversely impacted Modaraba's tendency to lend. Although there are no new defaulting debtors in Modaraba's portfolio, capacity to borrow at such a higher cost is generally lower in the business community. At the same time, Modaraba is also exercising caution in dishing out finances. Modaraba is also in the process of absorbing the higher costs of funds in its lending portfolio. We expect that it will take further six to eight months to fully absorb the effects of higher interest rate regime.

Modaraba's in house venture FPM Petro has performed reasonably well during the period. The venture has now introduced new products in addition to the conventional products it has been offering for the last several years. Due to these products, Modaraba is expected to earn more in future with better rate of returns.

During the period, Modaraba's another in house venture, "FPM-AML Check", has gained further grounds in terms of its technological improvement, data gathering and clientele. Subsequent to the year end, with the permission of SECP, Modaraba has launched a subsidiary company to run this venture. New investors are likely to come into this company to make this product of Modaraba a globally acceptable solution and would InshAllah earn monetary gains and repute for Modaraba in the near future.

In August 2022, SECP had issued new Modaraba Regulations that required all deposit taking Modaraba's to have a minimum equity of Rs. 500 million (FPM's is at 221 million) and a minimum credit rating of "A-" (FPM's rating is BBB) in a period of 3 years. Regulations also restricted issuance of dividend to Modaraba's certificate holders until compliance of these conditions is done.

Board of Directors and management of Modaraba are fully committed to comply to these Regulations and meeting the criteria mentioned therein.

Financial Results:

Financial results are summarized as under:

	Year ended 30 th June, 2023 (Amount in Rupees)	Year ended 30 th June, 2022 (Amount in Rupees)
Profit before other income and financial charges	26,555,816	26,586,982
Profit before tax	11,788,671	15,108,662
Profit after tax	6,540,124	9,956,777
EPC	0.474	0.722

Compliance with Code of Corporate Governance:

As required by the Code of Corporate Governance, your Directors are pleased to report that:

- The financial statements prepared by the management of the Modaraba present fairly its true state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account 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 Accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements.
- The system of internal control is sound and has been effectively implemented and monitored.
- The Modaraba is financially sound and there is no reason whatsoever to doubt its ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulation of the Stock Exchange(s) and;
- Board of Directors has total 7 directors including CEO. The composition of the board is as follows:
 - Male: 7
 - Female: 0

Name of Director
Mr. Tanveer Ahmed Magoon, Chairman
Syed Wajih Hassan, Chief Executive
Mr. Pir Muhammad Kalia, Director
Mr. Abrar Ahmed, Director
Mr. Nadeem Iqbal, Director
Mr. Humayun Mazhar Qureshi, Independent Director
Mr. Habib Ahmed Navaid, Independent Director

- i) During the year under review, four (04) meetings of the Board of Directors were held. Attendance by each director was as follows:

Name of Director	Meetings Eligibility	Meeting Attended
Mr. Tanveer Ahmed Magoon, Chairman	4	4
Syed Wajih Hassan, Chief Executive	4	4
Mr. Pir Muhammad Kalia, Director	4	3
Mr. Abrar Ahmed, Director	4	4
Mr. Nadeem Iqbal, Director	4	4
Mr. Humayun Mazhar Qureshi, Independent Director	4	4
Mr. Habib Ahmed Navaid, Independent Director	4	4

- j) During the year, four (04) meetings of the Audit Committee were held. Attendance by each member was as follows:

Name of Director	Meetings Eligibility	Meeting Attended
Mr. Habib Ahmed Navaid, Chairperson	4	4
Mr. Pir Muhammad Kalia, Member	4	3
Syed Wajih Hassan, Member	4	4
Mr. Nadeem Iqbal, Member	4	4

- k) During the year, one (01) HR meeting was held. Attendance by each member was as follows:

Name of Director	Meetings Eligibility	Meeting Attended
Mr. Humayun Qureshi, Chairperson	1	1
Mr. Tanveer Ahmed Magoon, Member	1	1
Syed Wajih Hassan, Member	1	1
Mr. Nadeem Iqbal, Member	1	1

Director Remuneration

The remuneration of the director for attending meetings of the board or any Committee of the Board is determined under the Director's Compensation Policy adopted by First Paramount Modaraba.

Shari'ah Advisor's Report

The Modaraba continues to seek guidance from its Shari'ah Advisor, Mufti Farhan Farooq as and when required to ensure full compliance to Shari'ah Audit mechanism developed in consultation with Registrar Modaraba.

External Auditors

On the recommendation of the Audit Committee, the Board has approved the appointment of the auditors M/s. Riaz Ahmad & Co, Chartered Accountants as auditors for the year ending June 30, 2024, subject to approval of the Registrar Modaraba.

Acknowledgement

The Management and the Board of Directors hereby offer thanks of manifold of the continuance patronage and coordination especially of the Registrar Modarabas, Securities And Exchange Commission of Pakistan, Islamabad, and State Bank of Pakistan.

We also put to our staff members in the scale of appreciation who really showed their agility in the completion of the given task.

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

Syed Wajih Hassan
Chief Executive Officer

Karachi
03 October 2023

ڈائریکٹرز فرسٹ پیراماؤنٹ مضاربہ کے سرٹیفکیٹ ہولڈرز کو رپورٹ کرتے ہیں

پیراماؤنٹ انویسٹمنٹ لمیٹڈ کے ڈائریکٹرز، فرسٹ پیراماؤنٹ مضاربہ کی مینجمنٹ کمپنی، 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ شرح ایڈوائزر کی رپورٹ اور سرٹیفکیٹ ہولڈرز کو بیرونی آڈیٹرز کی رپورٹ پیش کرنے پر خوش آئند ہے۔ مضاربہ کا 30 جون 2023 کو ختم ہونے والے سال کا ٹیکس منافع 11,788,671 روپے رہا۔ گزشتہ سال 15,108,662 روپے ٹیکس منافع تھا جس میں رواں سال 21.9 فیصد کمی ریکارڈ کی گئی۔ پچھلے سال کے منافع سے 3,416,653 مضاربہ کا منافع 6,540,124 روپے کم رہا۔ فی سرٹیفکیٹ کی آمدنی 0.474 روپے رہی جبکہ پچھلے سال میں 0.722 روپے پر تھا۔ ملک میں جاری بحران نے مضاربہ کے قرض دینے کے رجحان کو بری طرح متاثر کیا ہے۔ اگرچہ مضاربہ کے پورٹ فولیو میں کوئی نیا نیا دہندہ قرض دہندہ نہیں ہے، لیکن اتنی زیادہ قیمت پر قرض لینے کی صلاحیت عام طور پر کاروباری برادری میں کم ہوتی ہے اس کے ساتھ ہی مضاربہ مالیات کی تقسیم میں بھی احتیاط برت رہا ہے۔ مضاربہ اپنے قرض دینے والے پورٹ فولیو میں فنڈز کی زیادہ لاگت کو جذب کرنے کے عمل میں بھی ہے۔ ہم توقع کرتے ہیں کہ اعلیٰ شرح سود کے نظام کے اثرات کو مکمل طور پر جذب کرنے میں مزید چھ سے آٹھ ماہ لگیں گے۔ مضاربہ کے ان ہاؤس منصوبے FPM پیڑونے اس عرصے کے دوران معقول کارکردگی کا مظاہرہ کیا ہے۔ اس منصوبے نے اب روایتی مصنوعات کے علاوہ نئی مصنوعات متعارف کرائی ہیں جو وہ پچھلے کئی سالوں سے پیش کر رہا ہے۔ ان مصنوعات کی وجہ سے مضاربہ کو مستقبل میں بہتر شرح منافع کے ساتھ مزید کمانے کی امید ہے۔ اس عرصے کے دوران، مضاربہ کے ایک اور ان ہاؤس منصوبے "AML-FPM چیک" نے اپنی تکنیکی بہتری، ڈیٹا اکٹھا کرنے اور گاہکوں کے لحاظ سے مزید بنیادیں حاصل کی ہیں۔ سال کے اختتام کے بعد، ایس ای سی پی کی اجازت سے، مضاربہ نے اس منصوبے کو چلانے کے لیے ایک ذیلی کمپنی شروع کی ہے۔ مضاربہ کے اس پروڈکٹ کو عالمی سطح پر قابل قبول بنانے کے لیے اس کمپنی میں نئے سرمایہ کار آنے کا امکان ہے اور انشاء اللہ مستقبل قریب میں مضاربہ کے لیے مالیاتی فوائد اور شہرت حاصل کریں گے۔

اگست 2022 میں، ایس ای سی پی نے مضاربہ کے نئے ضوابط جاری کیے تھے جن کے تحت مضاربہ کے تمام ڈپازٹ کے لیے کم از کم 500 ملین روپے ہونا ضروری تھا۔ (221 FPM's ملین ہے) اور 3 سال کی مدت میں کم از کم کریڈٹ ریٹنگ "A" (FPM's کی ریٹنگ BBB) ہے۔ ضوابط کے مطابق مضاربہ کے سرٹیفکیٹ ہولڈرز کو منافع جاری کرنے پر بھی پابندی لگادی ہے جب تک کہ ان شرائط کی تعمیل نہیں ہو جاتی۔

مضاربہ کے بورڈ آف ڈائریکٹرز اور انتظامیہ ان ضوابط کی تعمیل کرنے اور اس میں مذکورہ معیارات کو پورا کرنے کے لیے پوری طرح پرعزم ہے۔

مالیاتی نتائج:

مالیاتی نتائج کی تفصیلات درج ذیل ہے:

30 جون 2022 کو ختم ہونے والا سال (رقم روپے)	30 جون 2023 کو ختم ہونے والا سال (رقم روپے)	
26,586,982	26,555,816	دیگر آمدنی اور مالیاتی اخراجات سے پہلے منافع
15,108,662	11,788,671	ٹیکس سے پہلے منافع
9,956,777	6,540,124	ٹیکس کے بعد منافع
0.722	0.474	ای پی سی

کوڈ آف کارپوریٹ گورننس کی تعمیل:

- جیسا کہ کوڈ آف کارپوریٹ گورننس آپ کے ڈائریکٹرز کو یہ رپورٹ دینے کی ضرورت ہے:
- مضاربہ کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حقیقی حالت، اس کے کاموں کے نتائج، نقد اور مساوات میں ہونے والی تبدیلیوں کو پیش کرتے ہیں۔
 - مضاربہ کے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔
 - مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
 - مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو ہونے والے بین الاقوامی اکاؤنٹنگ معیارات پر عمل کیا گیا ہے۔
 - اندرونی کنٹرول کا نظام درست ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
 - مضاربہ مالی طور پر مضبوط ہے اور اس کے جاری رہنے کی قابلیت پر شک کرنے کی کوئی وجہ نہیں ہے۔
 - کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی اخراج نہیں ہوا ہے جیسا کہ اسٹاک ایکسچینج کے لسٹنگ ریگولیشن میں تفصیل سے بتایا گیا ہے۔
 - بورڈ آف ڈائریکٹرز میں CEO سمیت کل 7 ڈائریکٹرز ہیں۔

بورڈ کی تشکیل حسب ذیل ہے:

میل: 7

فی میل: 0

ڈائریکٹرز کے نام:

چیرمین	جناب تنویر احمد مغون
چیف ایگزیکٹو	سید وجیح حسن
ڈائریکٹر	جناب پیر محمد کالیا
ڈائریکٹر	جناب ابرار احمد
ڈائریکٹر	جناب ندیم اقبال
آزاد ڈائریکٹر	جناب ہمایوں مظہر قریشی
آزاد ڈائریکٹر	جناب حبیب احمد نوید

(ix) زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کی چار (04) میٹنگیں ہوئیں۔ ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

میٹنگ میں شرکت	میٹنگز کی اہلیت	ڈائریکٹر کے نام
4	4	جناب تنویر احمد مغون، چیرمین
4	4	سید وجیح حسن، چیف ایگزیکٹو
3	4	جناب پیر محمد کالیا، ڈائریکٹر
4	4	جناب ابرار احمد، ڈائریکٹر
4	4	جناب ندیم اقبال، ڈائریکٹر
4	4	جناب ہمایوں مظہر قریشی، آزاد ڈائریکٹر
4	4	جناب حبیب احمد نوید، آزاد ڈائریکٹر

(x) سال کے دوران آڈٹ کمیٹی کے چار (04) اجلاس منعقد ہوئے۔ ہر ممبر کی حاضری حسب ذیل تھی۔

میٹنگ میں شرکت	میٹنگز کی اہلیت	ڈائریکٹر کے نام
4	4	جناب حبیب احمد نوید، چیر پرسن
3	4	جناب پیر محمد کالیا، ممبر
4	4	سید وجیح حسن، ممبر
4	4	جناب ندیم اقبال، ممبر

(xi) سال کے دوران، ایک ہوٹن ریورسز (HR) میٹنگ ہوئی۔ ہر ممبر کی حاضری حسب ذیل تھی۔

میٹنگ میں شرکت	میٹنگ کی اہلیت	ڈائریکٹر کے نام
1	1	جناب ہمایو قریشی، چیئر پرسن
1	1	جناب تنویر احمد معنون، ممبر
1	1	سید وحیہ حسن، ممبر
1	1	جناب ندیم اقبال، ممبر

ڈائریکٹر معاوضہ:

بورڈ یا بورڈ کی کسی کمیٹی کے اجلاسوں میں شرکت کے لیے ڈائریکٹر کے معاوضے کا تعین فرسٹ پیروماؤنٹ مضاربہ کی طرف سے اختیار کردہ ڈائریکٹر کی معاوضہ پالیسی کے تحت کیا جاتا ہے۔

شرعی ایڈوائزر کی رپورٹ:

مضاربہ اپنے شرعی مشیر مفتی فرحان فاروق سے رہنمائی حاصل کرتا رہتا ہے اور جب ضرورت پڑتی ہے تو رجسٹرار مضاربہ کی مشاورت سے تیار کردہ شرعی آڈٹ میکانزم کی مکمل تعمیل کو یقینی بنایا جاتا ہے۔

بیرونی آڈیٹرز:

آڈٹ کمیٹی کی سفارش پر بورڈ نے آڈیٹرز میسرز کی تقرری کی منظوری دے دی ہے۔ ریاض احمد اینڈ کمپنی، 30 جون 2024 کو ختم ہونے والے سال کے لیے بطور آڈیٹرز چارٹرڈ اکاؤنٹنٹس، رجسٹرار مضاربہ کی منظوری سے مشروط ہے۔

اعتراف:

انتظامیہ اور بورڈ آف ڈائریکٹرز اس سلسلے میں مسلسل سرپرستی اور رابطہ رکھنے کے لیے خاص طور پر رجسٹرار مدارس، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسلام آباد اور اسٹیٹ بینک آف پاکستان کا شکریہ ادا کرتے ہیں۔

ہم نے اپنے عملے کے ممبران کو بھی تعریفی پیغام پر رکھا جنہوں نے واقعی دیے گئے کام کی تکمیل میں اپنی قابلیت کا مظاہرہ کیا۔

بورڈ آف ڈائریکٹرز کیلئے اور اس کی جانب سے

پیروماؤنٹ انویسٹمنٹ لمیٹڈ (PIL) منیجرز آف فرسٹ پیروماؤنٹ مضاربہ

سید وحیہ حسن

چیف ایگزیکٹو آفیسر

Key Operating & Financial Data

Particulars	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Paid up Capital	83,845,663	119,899,298	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193
Certificate Holders Equity	179,492,026	206,414,825	215,768,010	212,606,944	213,140,985	215,574,162	208,283,126	211,160,259	214,912,246	221,452,370
Current Liabilities	61,773,184	88,724,801	89,490,384	66,211,658	103,055,448	115,966,875	107,858,491	126,082,536	99,165,780	85,661,496
Total Liabilities	141,575,613	233,436,683	294,677,925	253,252,834	231,075,013	251,369,936	238,991,697	245,794,393	251,563,254	232,371,816
Fixed Assets	60,188,077	55,644,542	34,152,161	24,617,224	24,786,815	18,753,478	17,349,264	17,196,015	12,293,712	12,365,684
Current Assets	183,981,874	283,868,931	377,680,851	348,040,978	316,175,993	320,058,362	349,137,811	364,122,055	363,713,822	386,762,526
Total Assets	321,067,638	439,851,508	510,445,965	465,859,778	444,215,971	466,944,098	447,274,823	458,275,227	363,713,822	453,824,186
Operating Profit	14,013,133	11,473,070	14,734,586	8,113,241	12,545,848	13,656,108	7,342,015	8,733,651	17,130,002	13,365,840
Profit before Tax	12,387,610	10,153,667	13,040,109	7,180,218	11,060,928	12,085,098	6,497,384	7,703,080	15,108,661	11,788,671
Taxation	-	-	-	-	195,939	-	-	-	5,151,884	5,248,547
Profit after Tax	12,387,610	10,153,667	13,040,109	7,180,218	10,864,989	12,085,098	6,497,384	7,703,080	9,956,777	6,540,124
Dividend	13.00%	8.00%	7.50%	7.00%	7.00%	10.00%	3.50%	4.50%	0.00%	-
Bonus Certificate	10.00%	15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-
Earning per Certificate	1.48	1.02	0.95	0.52	0.79	0.88	0.47	0.56	0.72	0.47
Break-up Value	21.41	17.22	15.65	15.42	15.46	15.63	15.11	15.31	15.58	16.06

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

First Paramount Modaraba ("the Modaraba") managed by Paramount Investments Limited (the Management Company)

For the Year Ended 30 June 2023

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

- The total number of Directors are seven (07) as per the following:

- Male: 7
- Female: -

- The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Humayun Mazhar Qureshi Mr. Habib Ahmed Navaid
Non-Executive Directors	Mr. Tanveer Ahmed Magoon Mr. Nadeem Iqbal Mr. Pir Muhammad Kaliya Mr. Abrar Ahmed
Executive Director	Mr. Syed Wajih Hassan (Chief Executive Officer)

- The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including the Management Company;
- 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;
- The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Management 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 Management Company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
- Out of seven, four Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program. However, remaining directors will attain the certification in due course;
- No new appointment of Chief Financial Officer and Company Secretary has been made during the year;
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee

Names	Designation held
Mr. Habib Ahmed Navaid	Chairperson
Mr. Nadeem Iqbal	Member
Mr. Pir Muhammad Kaliya	Member

b) HR and Remuneration Committee

Names	Designation held
Mr. Humayun Mazhar Qureshi	Chairperson
Mr. Tanveer Ahmed Magoon	Member
Mr. Nadeem Iqbal	Member
Mr. Syed Wajih Hasan	Member

c) Risk Management & Credit Committee

Names	Designation held
Mr. Nadeem Iqbal	Chairperson
Mr. Habib Ahmed Navaid	Member
Mr. Tanveer Ahmed Magoon	Member

The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as per following:

a) Audit Committee

Four quarterly meetings were held during the financial year ended 30 June 2023.

b) HR and Remuneration Committee

One meeting of HR and Remuneration Committee was held during the financial year ended 30 June 2023.

15. The board has set up an effective internal audit function (outsourced to a firm of 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 Management Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Management 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 have been complied with except of the following;

- a) Regulation 7 requires that the Board shall have at least one female director when it is reconstituted after the expiry of its current term. However, no female director was elected at the time of election of directors held last year.

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation No.
1	Representation of minority shareholders The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No one intended to contest as director representing minority shareholders.	5
2	Responsibilities of the Board and its members: The Chairman of the Board shall, at the beginning of term of each director, issue letter to directors setting out their role, obligations, powers and responsibilities in accordance with the Act and the company's Articles of Association, their remuneration and entitlement.	Since all the directors have been re-elected, issuance of fresh letter has not been considered appropriate. All the directors are experienced and are well aware of their role, obligations, powers and responsibilities in accordance with the Act and applicable Rules.	10(5)
3	Minutes of meeting: The Chairman shall ensure that minutes of the meetings of the Board are kept in accordance with the requirements of section 179 of the Act. During the year, the resolution through circulation was passed but does not noted at subsequent meeting of the board or the committee thereof, as the case may, and made part of minutes of such meeting.	Resolutions through circulation are made part of the meeting in one of the subsequent Board meetings. However, it will be ensured that each approved resolutions is covered in the immediate Board meeting, held after the approval of the respective resolution.	12
4	Minutes of Board Meeting As per regulation 12(1) of the regulations together read with section 178(4) of Companies Act, 2017, minutes of meeting shall be furnished within fourteen days of the date of meeting.	Minutes of the Board meetings are circulated as per the regulations. However, circulation summary or notes shall be separately maintained for the next meetings.	
5	Qualification of company secretary: The same person shall not simultaneously hold office of Chief Financial Officer and the Company Secretary of a listed company.	Currently, the Chief Financial Officer is acting as a secretary of Management Company till the position of Company Secretary is fulfilled. The Board will consider appointing Company Secretary for compliance with the requirement of the Regulation.	24
6	Composition of internal audit function The head of internal audit shall functionally report to the audit committee and administratively to the chief executive officer and his performance appraisal shall be done jointly by the Chairman of the audit committee and the chief executive officer.	The board has set up an effective internal audit function (outsourced to a firm of chartered accountants) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company. The internal audit function reports directly to the audit committee. The audit committee, in consultation with the Chief Executive Officer, reviews the performance and other matters of the internal audit function.	31(2)

20. The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.

TANVEER AHMED MAGOON
Chairman
Karachi 03 octobar 2023

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of First Paramount Modaraba

Review Report on the 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 Paramount Investments Limited ("the Management Company") for the year ended 30 June 2023 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 Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Management Company's compliance with the provisions of the 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 Management Company's personnel and review of various documents prepared by the 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 Management Company's corporate governance procedures and risks.

The Regulations require the 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 Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Management Company for the year ended 30 June 2023.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected or not in the paragraph reference where these are stated in the Statement of Compliance:

Riaz Ahmad & Company
Chartered Accountants

SR. NO.	PARAGRAPH REFERENCE	DESCRIPTION
(i)	6	The number of independent directors appointed is less than the number prescribed by the Regulations i.e., at least two or 1/3 members of the Board, whichever is higher and is not rounded up as one.
(ii)	7	As per regulations 7 of the Regulations, the Board shall have at least one female director when it is reconstituted after the expiry of its current term. However, no female director was elected at the time of election of directors held during the year.
(iii)	27(5)	As per regulations 27(5) of the Regulations, the secretary of audit committee shall circulate minutes of meetings of the audit committee to all members, directors, head of internal audit and where required to chief financial officer prior to the next meeting of the Board: Provided that where this is not practicable, the chairman of the audit committee shall communicate a synopsis of the proceedings to the Board and the minutes shall be circulated along with the minutes of the meeting of the Board. However, Audit committee minutes are not circulated to all the respective persons. Circulation summary or notes shall be separately maintained for the next meetings.



RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

DATE: 05 OCTOBER 2023
UDIN: CR202310045zRPkMob31

Riaz Ahmad & Company
Chartered Accountants

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AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of First Paramount Modaraba ("the Modaraba") as at 30 June 2023 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended 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 our audit.

These financial statements are the Modaraba Management Company's (Paramount Investments Limited) responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Management Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the Modaraba Management Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account 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 the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of accounts and are further in agreement with accounting policies consistently applied;

Riaz Ahmad & Company
Chartered Accountants

- (ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
- (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, 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 2023 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Emphasis of Matter

We draw attention to Note 21.1 to the accompanying financial statements which states that the Modaraba is non-compliant with certain conditions given in Regulation 19 of the Modaraba Regulations, 2021. However, based on legal opinion, the Modaraba understands that compliance period is extended to 3 years for compliance under Regulation 19 via amendments notified during the year end. Our opinion is not modified in respect of this matter.



RIAZ AHMAD & COMPANY
Chartered Accountants

Engagement Partner: Junaid Ashraf

DATE: 05 OCTOBER 2023
KARACHI

UDIN: AR202310045LhHv0IZ1I

Shariah Advisor's Report

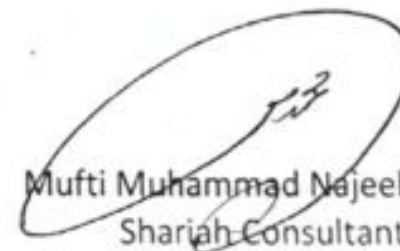
I have conducted the Shariah review of First Paramount Modaraba managed by Paramount Investments Limited Modaraba Company for the financial year ended June 30th 2023, in accordance with the requirements as reported hereunder, in my opinion:

1. 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.
2. The 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.
3. 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 Modaraba's.
4. Profit sharing ratios, profits and charging of losses (if any) relating to any deposit raising product conforms to the basis and principles of Shariah.

Dated: August 23, 2023



Mufti Muhammad Farhan Farooq
Shariah Advisor
of First Paramount Modaraba
Managed By Paramount Investments Limited



Mufti Muhammad Najeeb Khan
Shariah Consultant
of First Paramount Modaraba
Managed By Paramount Investments Limited

**FIRST PARAMOUNT MODARABA
BALANCE SHEET
AS AT 30 JUNE 2023**

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	12,365,684	12,293,712
Murabaha financing	6	41,453,148	63,815,311
Diminishing musharaka financing	7	400,827	-
Musharaka financing	8	12,000,000	12,000,000
Loan to employees	9	577,501	165,899
Long-term deposits		264,500	324,500
		67,061,660	88,599,422
CURRENT ASSETS			
Stock in trade		37,779,122	8,680,322
Trade debtors	10	91,409,541	67,736,511
Advances, prepayments and other receivables	11	36,440,620	28,862,431
Modaraba financing	12	1,822,314	1,923,382
Short-term murabaha financing	13	15,622,491	20,218,487
Current portion of murabaha financing	6	58,345,881	71,575,236
Current portion of diminishing musharaka financing	7	282,937	3,466,606
Current portion of musharaka financing	8	16,949,054	28,000,000
Current portion of loans to employees	9	192,000	839,601
Short-term deposit		3,950,000	-
Accrued profit	14	2,494,612	4,192,588
Short term investment	15	20,776,415	-
Tax refunds due from Government	16	53,062,929	47,600,423
Receivable against sale of Al-Burq		1,221,554	-
Cash and bank balances	17	46,413,056	80,618,236
		386,762,526	363,713,823
Assets classified as held for sale		-	14,162,256
		386,762,526	377,876,079
		453,824,186	466,475,501
TOTAL ASSETS			
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	18	137,884,193	137,884,193
Capital reserves	19	61,175,709	54,635,585
Revenue reserves		22,392,468	22,392,468
		221,452,370	214,912,246
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income	20	8,520,320	13,933,772
Certificates of musharaka	21	138,190,000	131,615,000
		146,710,320	145,548,772
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	22	9,098,069	12,291,880
Current portion of deferred income	20	10,399,178	10,653,277
Current portion of certificates of musharaka	21	29,310,000	45,885,000
COM matured parties	23	9,850,000	1,850,000
Accrued profit on certificates of musharaka	24	3,613,638	2,198,270
Unclaimed profit distributions		19,234,855	21,135,469
Provision for taxation		4,155,756	5,151,884
		85,661,496	99,165,780
Liabilities associated with assets classified as held for sale		-	6,848,703
		232,371,816	251,563,255
	25	453,824,186	466,475,501

The annexed notes from 01 to 41 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
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 Rupees	2022 Rupees
Operating income	26	322,412,732	306,785,852
Operating cost			
Operating expenses	27	(295,865,639)	(277,662,560)
(Provision) / reversal for doubtful recoveries - net		8,723	(2,536,310)
		(295,856,916)	(280,198,870)
		26,555,816	26,586,982
Other income	28	5,201,589	4,710,587
Financial charges	29	(18,391,565)	(14,167,567)
		13,365,840	17,130,002
Modaraba Company's management fee	30	(1,336,584)	(1,713,000)
		12,029,256	15,417,002
Provision for Sindh Workers' Welfare Fund		(240,585)	(308,340)
Profit before tax		11,788,671	15,108,662
Taxation	31	(5,248,547)	(5,151,885)
Profit for the year		6,540,124	9,956,777
Earnings per certificate	32	0.474	0.722

The annexed notes from 01 to 41 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
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 Rupees	2022 Rupees
Profit after taxation		6,540,124	9,956,777
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		-	-
		-	-
Total comprehensive income for the year		6,540,124	9,956,777

The annexed notes from 01 to 41 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
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		11,788,671	15,108,662
Adjustments for non-cash items:			
Depreciation and amortization		2,564,019	1,336,948
Loss / (gain) on disposal of fixed assets		21,669	(3,072,955)
Provision for Sindh Workers' Welfare Fund		240,585	308,340
Financial charges	29	18,391,565	14,095,689
Provision / (reversal) for doubtful recoveries - net		(8,723)	2,536,310
Bad debts written off		1,633,418	-
Deposit set-off against liability		60,000	-
		22,902,533	15,204,332
Operating profit before working capital changes		34,691,204	30,312,994
(Increase) / decrease in current assets			
Murabaha financing - net		40,306,175	(8,048,446)
Diminishing Musharaka financing - net		2,782,842	9,208,758
Musharaka financing - net		11,050,946	-
Modaraba financing - net		101,068	6,974,840
Loans to employees		235,999	(64,500)
Long-term deposits		-	56,469
Stores and spares		(29,098,801)	(5,060,824)
Trade debtors		(23,782,968)	(10,591,100)
Advances, prepayments and other receivables		(9,211,607)	8,683,596
Short-term deposit		(3,950,000)	-
Receivable from Al-burq associates		6,092,000	-
Short Term Investment		(20,776,415)	-
Accrued profit		1,697,976	2,338,330
(Decrease) / increase in current liabilities			
Creditors, accrued and other liabilities		4,565,604	(8,418,392)
Deferred Income		(5,667,551)	(1,889,649)
Net cash generated from operations		9,036,472	23,502,076
Financial charges paid		(56,928)	(71,878)
Tax paid		(11,707,181)	(15,006,603)
Net cash generated from operating activities		(2,727,637)	8,423,595
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	5.1	(2,717,659)	(8,344,096)
Sale proceed on disposals of fixed assets		59,999	3,834,650
Addition / deletion in capital work-in progress		-	-
Net cash (used in) investing activities		(2,657,660)	(4,509,446)
CASH FLOWS FROM FINANCING ACTIVITIES			
Certificate of Musharaka - issuance	21	23,275,000	29,040,000
Certificate of Musharaka - redemptions		(33,275,000)	(29,085,000)
Profit paid to certificates of Musharaka (COM) holder		(16,919,269)	(13,576,617)
Profit distributed to certificate holders		(1,900,614)	(4,800,535)
Net cash used in financing activities		(28,819,883)	(18,422,152)
Net (decrease) / increase in cash and cash equivalents		(34,205,180)	(14,508,002)
Cash and cash equivalents at beginning of the year		80,618,236	95,126,239
Cash and cash equivalents at end of the year	17	46,413,056	80,618,236

The annexed notes from 01 to 41 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
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Issued, subscribed and paid up certificate capital Rupees	Reserves			Total Rupees	
		Capital		Revenue Unappropriated profit Rupees		
		Merger reserve Rupees	Statutory reserve Rupees			Total 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 certificate holders: 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 Other comprehensive income	-	-	-	-	9,956,777	9,956,777
Transferred to statutory reserve @ 20%	-	-	1,991,355	1,991,355	(1,991,355)	-
Balance as at 30 June 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 Other comprehensive income	-	-	-	-	6,540,124	6,540,124
Transferred to statutory reserve @ 100%	-	-	6,540,124	6,540,124	(6,540,124)	-
Balance as at 30 June 2023	137,884,193	1,935,160	59,240,549	61,175,709	22,392,468	221,452,370

The annexed notes from 01 to 41 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 YEAR ENDED 30 JUNE 2023**

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 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 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 has a branch office situated in Islamabad, the Capital territory.

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";
- (c) Engineering products and solutions to upstream service companies under the name of "FPM Geo Dynamics International"; and
- (d) Consultancy business under the name of "FPM Consulting".

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements of the Modaraba have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards as applicable in Pakistan comprise of:

- The requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981;
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP); and
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

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

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis. Permissible Islamic financial products including murabaha, musharaka and modaraba have been used by the Modaraba. In line with the similar industry practices, the accounting and presentation of the same are in line with the substance of the transactions and their accounting is limited to the extent of actual amount of facility utilized and

mutually agreed profit thereon. Accordingly, purchases, sales and musharaka profits / reserves are not reflected in these financial statements.

These financial statements have been prepared on accrual basis of accounting except for cash flow statement.

2.3 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.

2.4 Significant accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Modaraba's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Modaraba's financial statements or where judgments were exercised in application of accounting policies are as follows:

(a) Useful lives, patterns of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Modaraba. Further, the Modaraba reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and investment properties with a corresponding effect on the depreciation charge and impairment.

(b) Stock in trade

Stock in trade write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on Stock in trade for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the Stock in trade balances for any such declines.

(c) Income tax

In making the estimates for income tax currently payable by the Modaraba, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

(d) Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

(e) Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted

to take account of such changes. Any adjustments to the amount of previously recognized provision is recognised in the profit and loss account unless the provision was originally recognised as part of cost of an asset.

(f) Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Modaraba is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

3. NEW STANDARDS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, interpretations and amendments to published approved accounting standards that are effective in current year and are relevant to the Modaraba

Following amendments to published approved accounting standards are mandatory for the Company's accounting years beginning on or after 01 July 2022:

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use'.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – Cost of Fulfilling a Contract amends IAS 1 'Presentation of Financial Statements'.
- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases'.
- 'Reference to the Conceptual Framework (Amendments to IFRS 3)' published by the International Accounting Standards Board (IASB) with amendments to IFRS 3 'Business Combinations'.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior year and are not expected to significantly affect the current or future years.

3.2 Standard and amendments to published approved accounting standards that are effective in current year but not relevant to the Modaraba

There are other standard and amendments to published standards that are mandatory for accounting year beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Modaraba's financial statements and are therefore not detailed in these financial statements.

3.3 Amendments to published approved accounting standards that are not yet effective but relevant to the Modaraba

Following amendments to existing standards have been published and are mandatory for the Company's accounting years beginning on or after 01 July 2023 or later years:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual year beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting year to defer the settlement of liability for at least twelve months after the reporting year. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual years beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual years beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors') effective for annual years beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting year affect the classification of a liability. The amendments are effective for reporting years beginning on or after 1 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual years beginning on or after 1 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting year beginning on or after 1 January 2024.

The above amendments and improvements are likely to have no significant impact on the financial statements.

3.4 Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Modaraba

There are other standards and amendments to published standards that are mandatory for accounting years beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Modaraba's financial statements and are therefore not detailed in these financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace a component of tangible fixed

asset is capitalized and the asset so replaced is retired from use. Normal repairs and maintenance are charged to the profit and loss account as and when incurred. Major renewals and improvements are capitalized, if recognition criteria are met.

Depreciation is charged to profit and loss account applying the reducing balance method at the rates mentioned in note (5) except for generators available for Ijarah which are depreciated using units of production method on the basis of working hours of generators. In respect of additions and disposals during the year, depreciation is charged proportionately for the period of use.

The carrying values are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on derecognition of the assets (calculated as difference between the net disposal proceeds and the carrying amount of the assets) is included in the profit and loss account.

The assets' useful lives, method of depreciation and residual value are reviewed, and adjusted if appropriate at each reporting date.

4.2 Intangible assets

Intangible assets (comprising of computer softwares) are stated at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized under the reducing balance method at the rate of thirty percent per annum.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

4.3 Non-current assets held for sale and discontinued operations

The Modaraba classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is immediate available for sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the profit and loss account.

Property, plant and equipment and intangible are not depreciated or amortized once classified as held for sale.

4.4 Loans to employees

Loans to employees are granted by Modaraba for purchasing of vehicles or for other purposes, as approved by the management on a case to case basis. Loans granted are initially recorded at fair value.

Murabaha financing

Murabaha transactions are reflected as receivable at the invoiced amount. Actual sale and purchase are not reflected as the goods are purchased by the customer as agent of the Modaraba and all documents

relating to purchase are in customer name. However the profit on that sale revenue not due for payment is deferred by recording a credit to "Deferred Murabaha Income" account.

4.5 Modaraba financing

Modaraba is a kind of partnership where one partner gives money to another for investing it in a commercial enterprise. The investment comes from the first partner who is called "rabb-ul-mal" (here FPM), while the management and work is an exclusive responsibility of the other, who is called "mudarib" and the profits generated are shared in a predetermined ratio. Modaraba receivable are reflected at principal amount.

4.6 Musharaka financing

Musharaka is an agreement between two or more parties to combine their assets, labour or liabilities for the purpose of making profit. Modaraba is dealing in the following forms of Musharaka.

a) Diminishing musharaka

In diminishing musharaka based financing, the Modaraba enters into a Musharaka based on Shirkat-ul-mulk (Joint arrangement) for financing an agreed share of fixed asset (e.g. house, land, plant or machinery) with its customers and enters into yearic profit payments agreement for the utilization of the Modaraba's Musharaka share by the customer. The customer with each rental payments also purchases Modaraba's Musharaka share by paying additional amount and therefore becomes the sole owner of the subject asset at the maturity of the diminishing musharaka.

b) Musharaka financing

Modaraba enters into financing with customers based on Shirkat-ul-aqd (contractual partnership) in customers' operating business. Under this mechanism, the customer can withdraw and return funds to the Modaraba subject to his running musharaka financing limit during the musharaka year. The customer pays the provisional profit which is subject to final settlement based on the actual results of the business / transaction.

4.7 Financial assets

a) Classification

The Modaraba classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Modaraba's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit and loss account or other comprehensive income.

b) Measurement

At initial recognition, the Modaraba measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss account.

4.8 Financial liabilities – classification and measurement

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

4.9 Impairment of financial assets

The Modaraba assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Modaraba applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets, except in the case of calculation of impairment provision on financial assets where the requirements of the Prudential Regulations for Modaraba applies, it is recognized as higher of (on customer basis):

- the provision required under the Modaraba Regulations, 2021; and
- the provision required under IFRS 9 using the expected credit loss (ECL) model..

Loss allowance on advances and bank balances is measured at 12 months expected credit losses. Since these assets are short term in nature, therefore no credit loss is expected on these balances. The Modaraba is also not expecting a material impact on loan to employees and deposits.

4.10 De-recognition of financial assets and financial liabilities

a) Financial assets

The Modaraba derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Modaraba is recognized as a separate asset or liability.

b) Financial liabilities

The Modaraba derecognizes a financial liability (or a part of financial liability) from its balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

4.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set-off the recognized amount and the Modaraba intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.12 Cash and cash equivalents

Cash and cash equivalents are carried in balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents include cash and balances with banks in current and deposit accounts and investments with original maturity of less than 3 months.

4.13 Stock in trade

Stock in trade is valued at lower of net realizable value or cost. Cost of items of stores and spares is determined as invoice value plus other charges accrued thereon to the balance sheet date. Provision is made annually in the financial statements for slow moving and obsolete items if required.

4.14 Trade debtors and other receivables

Trade debtors and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts as per expected credit losses model (ECL) as required by IFRS 9 as at year end date.

4.15 Joint Operations (Musharaka arrangements)

The Modaraba has certain contractual arrangements with other participants to engage in joint activities, where all significant operating and financial policies are predetermined by the participants, such that the Musharik has no significant independence to pursue its own strategies.

The financial statements of the Modaraba include its prorata share of assets, liabilities, revenues and expenses in joint operation and are accounted for on the basis of profit statements.

4.16 Statutory reserve

Statutory reserve represents profit set aside to comply with the Prudential Regulations for Modarabas issued by the SECP vide S.R.O. 284(I)/2021 dated March 05, 2021. These Regulations require Modaraba to transfer not less than 20% and not more than 50% of its after tax profit till such time that the reserve equals 100% of the paid-up capital. During the year on 15 August 2022, SECP vide SRO 1547 (I)/2022 introduced changes in Regulation 13, which required that a Modaraba which is not compliant with minimum equity requirements as provided in the regulations, shall create reserve fund to which shall be credit an amount equivalent to 100% of its annual after-tax profit till such time the minimum equity requirements are complied with. During the year, the Modaraba transferred 100% of its after tax profit.

4.17 Certificates of musharaka

Certificates of musharaka are recognized initially at cost, less attributable transaction costs. Subsequent to initial recognition, these are stated at cost / amortized cost.

Profit on these arrangements is recognized as expense in the year in which they are incurred and is accounted for on the basis of projected profit. The effect of adjustments, if any, between actual rate and projected rate of profit is accounted for at the end of each quarter after determination of actual profit.

4.18 Creditors and other liabilities

Creditors and other liabilities are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

4.19 Employee benefits

a) Defined contribution plan

The Modaraba operates approved funded contributory provident fund scheme for all its employees. Equal monthly contributions are made both by the Modaraba and the employees at the rate of 8.33% percent per annum of the basic salary.

b) Compensated absences

The Modaraba accounts for the liability in respect of employees' compensated absences in the year in which they are earned.

4.20 Impairment

Non financial assets

The Modaraba assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to lower of revised recoverable amount or initial cost of asset less accumulated depreciation (if any) to date. Reversal of impairment loss is recognized as income.

4.21 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Modaraba is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Modaraba follows the below steps.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the Modaraba satisfies a performance obligation

For each sale transaction, purchase order forms a contract between the Modaraba and a customer and the goods to be delivered under that contract are the Modaraba's identified performance obligation, the contract contains determined and allocated transaction price. The Modaraba satisfies a performance obligation on delivery of goods to the customer and recognises the revenue.

- Profit / return on deposits / investments is recognized using tentative profit rates.
- Income from Murabaha is accounted for on finalization of Murabaha transaction. However, profit on that portion of revenue not due for payment (deferred murabaha income) is deferred and recognized on time proportionate basis.
- Musharaka management fee is recognized when related services are provided.
- Rental income from generators is recognized on time proportionate basis.
- Profit on diminishing musharaka financing is recognized using tentative profit rates.
- Profit on musharaka financing is recognized on declaration of profit by musharaka partners on accrual basis.
- Realized capital gains / (losses) arising on sale of investments are included in the profit and loss account on the date at which the transaction takes place.
- Dividend income is recognized when the right to receive the dividend is established.

4.22 Earnings per certificate (EPC)

The Modaraba presents basic and diluted earnings per certificate (EPC) data for its certificate. 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 year. Diluted EPC is determined by adjusting the profit or loss attributable to certificate holders and the weighted average number of certificates outstanding for the effects of all dilutive potential certificates.

4.23 Taxation

Current

Provision for current taxation is made on taxable income for the year at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. The income of modaraba is taxable at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any.

Deferred

Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising between the tax basis of asset and liabilities and carrying amount appearing in the financial statements. Deferred tax liability is recognized for all the taxable temporary differences. Deferred tax assets is recognized for all the deductible temporary differences to the extent that it is probable that temporary differences will reverse in future and taxable income will be available against which temporary differences will be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

4.24 Operating segments

An operating segment is a component of the Modaraba that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Modaraba's other components. All operating segments' operating results are reviewed regularly by the Management Company's Chief Executive Officer and Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. In review and evaluation performance process, the business is considered as a single operating segment and the Modaraba's business is evaluated on an overall basis other than musharaka arrangement with joint venture partner which is monitored separately.

Segment results that are reported for review and performance evaluation include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, administrative expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire tangible fixed assets and intangible assets other than goodwill.

4.25 Provisions

Provisions are recognized when the Modaraba has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

4.26 Profit distributions and appropriations

Profit distributions are recognized as a liability in the financial statements in the year in which these are approved. Transfers to statutory reserve and the mandatory appropriations as may be required by law are recognized in the year to which these relate.

4.27 Foreign currency transactions

Transactions in foreign currencies are translated into Rupees at rates of exchange on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange ruling on the balance sheet date. Exchange differences are charged to profit and loss account currently.

	Note	2023 Rupees	2022 Rupees
Tangibles	5.1	12,071,508	11,873,461
Intangibles	5.2	294,176	420,251
		<u>12,365,684</u>	<u>12,293,712</u>

5.1 Tangibles

	Generators - Project Generators Rupees	Generators - Own use Rupees	Computers Rupees	Office and other equipment Rupees	Furniture and fixtures Rupees	Vehicles Rupees	Total Rupees
As at 01 July 2022							
Cost	-	331,718	1,652,549	3,072,174	3,387,248	11,002,587	19,446,276
Accumulated impairment	-	-	-	-	-	-	-
Accumulated depreciation	-	(250,048)	(1,447,858)	(1,938,198)	(2,238,906)	(1,697,804)	(7,572,815)
Net book value	-	81,670	204,691	1,133,976	1,148,342	9,304,783	11,873,461

Year ended 30 June 2023

Opening net book value	-	81,670	204,691	1,133,976	1,148,342	9,304,783	11,873,461
Disposals							
Disposals - at cost	-	-	-	(176,425)	-	-	(176,425)
Disposals - at accumulated depreciation	-	-	-	94,757	-	-	94,757
Transferred - at net book value	-	-	-	(81,668)	-	-	(81,668)
Additions - at cost	-	-	369,400	1,086,313	1,191,626	70,320	2,717,659
Depreciation charge	-	(8,167)	(126,430)	(226,583)	(205,650)	(1,871,114)	(2,437,944)
Net book value	-	73,503	447,661	1,912,038	2,134,318	7,503,989	12,071,508

As at 30 June 2023

Cost	-	331,718	2,021,949	3,982,062	4,578,874	11,072,907	21,987,510
Accumulated impairment	-	-	-	-	-	-	-
Accumulated depreciation	-	(258,215)	(1,574,288)	(2,070,024)	(2,444,556)	(3,568,918)	(9,916,002)
Net book value	-	73,503	447,661	1,912,038	2,134,318	7,503,989	12,071,508

Rate of depreciation (%)

10 30 10 10 20

5.1 Tangibles

	Generators- Project Generators	Generators- Own use	Computers	Office and other equipments	Furnitures and fixtures	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
As at 01 July 2021							
Cost	16,777,171	331,718	1,797,485	3,092,237	3,387,248	7,713,776	33,099,635
Accumulated impairment	(1,982,495)	-	-	-	-	-	(1,982,495)
Accumulated depreciation	(3,672,572)	(240,975)	(1,640,892)	(1,772,037)	(2,111,313)	(5,083,696)	(14,521,485)
Net book value	11,122,104	90,743	156,593	1,320,200	1,275,935	2,630,080	16,595,655
Year ended 30 June 2022							
Opening net book value	11,122,104	90,743	156,593	1,320,200	1,275,935	2,630,080	16,595,655
Disposals							
Disposals - at cost	-	-	(278,936)	(38,963)	-	(4,902,384)	(5,220,283)
Disposals - at accumulated depreciation	-	-	267,772	23,187	-	4,141,979	4,432,938
Transferred - at net book value	-	-	(11,164)	(15,776)	-	(760,405)	(787,345)
Additions - at cost	-	-	134,000	18,900	-	8,191,195	8,344,095
Transferred to assets held for sale	(11,122,105)	-	-	-	-	-	(11,122,105)
Depreciation charge	-	(9,074)	(74,738)	(189,348)	(127,593)	(756,088)	(1,156,841)
Net book value	-	81,669	204,691	1,133,976	1,148,342	9,304,783	11,873,461
As at 30 June 2022							
Cost	-	331,718	1,652,549	3,072,174	3,387,248	11,002,587	19,446,276
Accumulated impairment	-	-	-	-	-	-	-
Accumulated depreciation	-	(250,048)	(1,447,858)	(1,938,198)	(2,238,906)	(1,697,804)	(7,572,815)
Net book value	-	81,670	204,691	1,133,976	1,148,342	9,304,783	11,873,461
Rate of depreciation (%)		10	30	10	10	20	

	Note	2023 Rupees	2022 Rupees
5.2 Intangibles - Computer Software			
As at 01 July			
Cost		2,976,738	2,976,738
Accumulated amortization		(2,556,487)	(2,376,380)
Net book value		420,251	600,358
Year ended 30 June			
Opening net book value		420,251	600,358
Amortization charge for the year		(126,075)	(180,107)
Net book value		294,176	420,251
As at 30 June			
Cost		2,976,738	2,976,738
Accumulated amortization		(2,682,562)	(2,556,487)
Net book value		294,176	420,251
Rate of amortization (%)		30	30
6. MURABAHA FINANCING - SECURED			
Considered good		99,799,029	135,390,547
Considered doubtful		2,388,324	2,506,985
		102,187,353	137,897,532
Less: Provision for doubtful recoveries	6.1	(2,388,324)	(2,506,985)
		99,799,029	135,390,547
Less: Current portion of murabaha financing		(58,345,881)	(71,575,236)
		41,453,148	63,815,311
6.1 Movement in provision for doubtful recoveries			
Balance as at 01 July		2,506,985	2,562,883
Charge for the year		-	-
Reversal made during the year		(118,661)	(55,898)
		(118,661)	(55,898)
Balance as at 30 June	6.4	2,388,324	2,506,985
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 505.53 million (2022: Rupees 590.437 million) in aggregate.			
6.3 These facilities have various maturity dates up to 16 May 2027. Effective profit rate on these arrangements ranges from 18% to 24% (2022: 18% to 21%).			
6.4 As fully explained in note 4.9 the Modaraba also applies Expected Credit Loss (ECL) model to evaluate the provisioning impact. Consequently, as per the ECL model under IFRS 9, the impairment impact is materially same to the provisioning requirements under Modaraba Regulations, 2021.			

6.5 Contractual installments receivable on Murabaha financing facilities:

	Principal Rupees	Profit Rupees	Total Rupees
2023			
Due within one year	48,959,319	9,386,562	58,345,881
Due after one year but within five years	32,542,230	11,299,242	43,841,472
Due after five years	-	-	-
	81,501,549	20,685,804	102,187,353

	Principal Rupees	Profit Rupees	Total Rupees
2022			
Due within one year	58,752,029	12,823,207	71,575,236
Due after one year but within five years	52,159,260	14,163,036	66,322,296
Due after five years	-	-	-
	110,911,289	26,986,243	137,897,532

6.6 The above represents installments receivable by the Modaraba in future years in respect of Murabaha financing facilities given under long-term arrangements.

7. DIMINISHING MUSHARAKA FINANCING	Note	2023 Rupees	2022 Rupees
Considered good - secured		683,764	3,466,606
Less: Current portion of diminishing musharaka financing		(282,937)	(3,466,606)
		400,827	-

7.1 This represents financing provided to individual under diminishing musharaka arrangement for purchase of building. The effective profit rate on this arrangement is 22.8% (2022: 16% to 19.6%) per annum and is repayable on monthly basis over a maximum period of 3 years. These facilities have maturity date up to 28 October 2025. The financing is secured by mortgage of properties of the borrower. The combined forced sales value (FSV) of the underlying assets as security amounts to Rupees 5.85 million (2022: Rupees 42.318 million) in aggregate.

7.2 Contractual rentals receivable on Diminishing Musharaka financing facilities are as follows:

Due within one year	282,937	3,466,606
Due after one year but within five years	400,827	-
Due after five years	-	-
	683,764	3,466,606

7.3 The above represents principal receivable by the Modaraba in following year in respect of Diminishing Musharaka financing facilities given under long-term arrangements.

8. MUSHARAKA FINANCING - secured	Note	2023 Rupees	2022 Rupees
Musharaka agreements for:			
Considered good:			
Food products	8.1	12,000,000	12,000,000
Microsoft power project	8.2	2,500,000	-
		14,500,000	12,000,000
Considered doubtful:			
Books printing - I		-	8,000,000
Books printing - II	8.3	14,449,054	20,000,000
		14,449,054	28,000,000
Less: Provision for doubtful recoveries	8.5	-	-
		14,449,054	28,000,000
		28,949,054	40,000,000
Less: Current portion of musharaka financing		(16,949,054)	(28,000,000)
		12,000,000	12,000,000
8.1 The Modaraba has entered into a Musharaka arrangement with Musharaka partner for distribution of food products like milk, biscuits etc. The Modaraba's share of investment is 30% of the total financing required by Musharaka partner and profit on investment is shared in the ratio of 35:65 (2022: 35:65) between Modaraba and Musharaka partner respectively. This financing is secured by way of mortgage of property.			
8.2 During the year, the Modaraba has entered into a Musharaka arrangement amounting to Rupees 2.5 million for microsoft sharepoint project as Musharaka partner. The profit on the investment is shared between Modaraba and the Musharaka partner in the ratio of 60:40 respectively. The financing is secured by way of mortgage of moveable property. During the year, this arrangement is fulfilled and the Modaraba is in process to recover the financing as per agreement, from the Musharaka partner.			
8.3 During the preceding years, the Modaraba signed a Musharaka arrangement amounting to Rupees 20 million for printing of 272,766 books with a Musharaka partner. The profit on the investment is shared between Modaraba and the Musharaka partner in the ratio of 64.09:35.91 respectively. The financing is secured by way of mortgage of immoveable property. This arrangement was fulfilled in prior years and the Modaraba is in process to recover the financing as per agreement, from the Musharaka partner.			
8.4 The combined forced sales value (FSV) of the underlying assets as security amounts to Rupees 52.6 million (2022: Rupees 50.2 million) in aggregate.			
8.5 No provision has been recognized due to the availability of the forced sale value benefit of the collateral held as security against financing. Furthermore, as fully explained in note 4.9 the Modaraba also applies Expected Credit Loss (ECL) model to evaluate the provisioning impact. Consequently, as per the ECL model under IFRS 9, the impairment impact is materially same to the provisioning requirements under Modaraba Regulations, 2021.			
8.6 Contractual installments receivable on Musharaka financing facilities:			
Due within one year		16,949,054	28,000,000
Due after one year but within five years		12,000,000	-
Due after five years		-	-
		28,949,054	28,000,000
9. LOAN TO EMPLOYEES - Secured			
Loan to employees		769,501	1,005,500
Less: Current portion of loan to employees		(192,000)	(839,601)
		577,501	165,899

- 9.1** This represents profit free personal loans provided to employees of Modaraba ranging from Rupees 0.25 million to Rupees 0.5 million. These are repayable over a maximum period of 10 years and secured against their provident fund balance. The fair value adjustment in accordance with requirements of IFRS- 9 "Financial Instruments" in respect of long term loan is not considered material and hence not recognized.

10. TRADE DEBTORS - Unsecured	Note	2023 Rupees	2022 Rupees
Considered good		91,409,541	67,736,511
Considered doubtful		4,441,612	4,331,674
	10.1	95,851,153	72,068,185
Less: Allowances for expected credit loss			
Balance as at 01 July		4,331,674	3,289,466
Recognized during the year		109,938	1,042,208
Balance as at 30 June		4,441,612	4,331,674
		91,409,541	67,736,511

10.1 Ageing analysis of trade debtors are as follows:

Not yet due	87,614,237	55,330,159
Upto 30 days	3,552,834	7,710,890
31 to 90 days	36,270	3,048,666
91 days to 180 days	302,701	769,863
More than 180 days	4,345,111	5,208,608
	95,851,153	72,068,186

11. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Due from associated undertakings	11.1	6,893,714	5,408,150
Advance against purchase of stock	11.2	17,400,297	16,577,753
Advance against expenses	11.2	948,709	1,562,137
Advance against salaries	11.2	19,000	6,000
Short-term prepayments		659,732	806,014
Receivable against sale of weaving unit		-	435,000
Due from AML project	11.3	8,693,703	1,756,617
Other receivables	11.4	1,825,465	2,310,760
		36,440,620	28,862,431

- 11.1** The maximum aggregate amount due from associated undertakings at the end of any month during the year was Rupees 7.047 million (2022: Rupees 5.654 million).

- 11.2** The maximum aggregate amount due from officers and employees at the end of any month during the year was Rupees 0.199 million (2022: Rupees 0.015 million).

- 11.3** This includes operational expenses borne by the Modaraba on behalf of the AML project. The Modaraba has entered into an arrangement with an individual to engage in a business segment under the name and style of "FPM AML/CFT Solutions," serving the corporate and financial sector. The Modaraba is responsible for managing the project's operations as the "Modarib" and may temporarily advance upto Rupees 10 million to the project, while the other party is responsible for investing in the project as the "Raab-ul-Maal." The net profit from this contract is shared between the Modarib and Raab-ul-Maal in a ratio of 65:35. The movement in balance due to / (from) AML project is as under:

Balance as at 1 July	1,756,617	(328,761)
Add: Payments made during the year on behalf of project	11,889,671	8,347,157
Less: Recovered from the project	(4,952,585)	(6,261,779)
Balance as at 30 June	8,693,703	1,756,617

The AML project has consistently incurred losses since its inception. In adherence to the Islamic principle of Modaraba financing, these losses shall be borne by the Raab-ul-Maal. Consequently, no loss have been recorded in the Modaraba's books.

- 11.4** This includes Rupees 1.2 million deducted directly from the bank account of the Modaraba on the instruction of the Federal Board of Revenue (FBR) vide letter no. CIR/Zone-1/CRTD/KHI/2016/2544 dated 15 December 2016 on account of non deduction of withholding tax. (refer Note 25).

12. MODARABA FINANCING - Secured & Considered doubtful

Balance as at 01 July	1,923,382	8,898,222
Less: Recovered during the year	(101,068)	(6,974,840)
Balance as at 30 June	1,822,314	1,923,382
Less: Provision for doubtful recoveries	12.2 -	-
	1,822,314	1,923,382

- 12.1** The Modaraba has signed an arrangement with Advanced Power Solutions and Technologies (APS) for installation of new UPS systems and upgrading of existing UPS systems of a bank, at its branches all over Pakistan. The profit on the investment is shared between Modaraba and APS in the ratio of 50:50. The financing is secured by way of mortgage of property. The combined forced sales value (FSV) of the underlying assets as security amounts to Rupees 34.23 million (2022: Rupees 34.23 million) in aggregate.

- 12.2** No provision has been recognized due to the availability of the forced sale value benefit of the collateral held as security against financing. Furthermore, as fully explained in note 4.9 the Modaraba also applies Expected Credit Loss (ECL) model to evaluate the provisioning impact. Consequently, as per the ECL model under IFRS 9, the impairment impact is materially same to the provisioning requirements under Modaraba Regulations, 2021.

13. SHORT-TERM MURABAHA FINANCING - Secured	Note	2023 Rupees	2022 Rupees
Considered good		13,775,122	20,218,487
Considered doubtful		1,847,369	-
		15,622,491	20,218,487
Less: Provision for doubtful recoveries	13.2	-	-
		15,622,491	20,218,487

- 13.1** Murabaha sale price is receivable in installments. Effective profit rate on these arrangements ranges from 19.2% to 25.2% (2022: from 18% to 20%) per annum receivable on agreed terms. These financing are secured by way of mortgage of properties, hypothecation of goods and demand promissory notes. The combined forced sales value (FSV) of the underlying assets as security amounts to Rupees 479.13 million (2022: Rupees 238.725 million) in aggregate.

- 13.2** No provisions has been recognized due to the availability of the forced sale value benefit of the collateral held as security against financing. Furthermore, as fully explained in note 4.9 the Modaraba also applies Expected Credit Loss (ECL) model to evaluate the provisioning impact. Consequently, as per the ECL model under IFRS 9, the impairment impact is materially same to the provisioning requirements under Modaraba Regulations, 2021.

14. ACCRUED PROFIT	Note	2023 Rupees	2022 Rupees
Profit receivable on musharaka financing		2,200,372	4,012,827
Profit receivable on diminishing musharaka financing		14,223	102,441
Profit receivable on bank deposits		280,017	77,320
		<u>2,494,612</u>	<u>4,192,588</u>
15. Short Term Investment			
At fair value through profit or loss			
Pak Qatar-daily dividend plan	15.1	20,776,415	-
15.1 Movement in short term investment			
Opening investment		-	-
Add:Purchase during the year		20,000,000	-
Add:Dividend-net			
Dividend		913,429	-
Withholding income tax @ 15%		(137,014)	-
		776,415	
Less: Redemption during the year		-	-
Fair value gain/ (loss)			
Closing investment (207,764 units)		<u>20,776,415</u>	<u>-</u>
16. TAX REFUNDS DUE FROM GOVERNMENT			
Advance income tax	16.1	51,736,385	44,219,227
Sales tax refundable - net		1,326,544	3,381,196
		<u>53,062,929</u>	<u>47,600,423</u>
16.1			
This includes income tax refundable on account of net advance tax paid / withheld aggregating to Rupees 2.808 million (2022: Rupees 2.808 million) and Rupees 3.096 million (2022: Rupees 3.096 million) relating to its CNG business for tax years 2009 and 2010, respectively which were expensed out in the respective financial periods. These amounts were recorded as refundable as the management filed an application for the refund of the same under Section 170 of the Income Tax Ordinance, 2001.			
17. CASH AND BANK BALANCES			
Cash in hand		70,148	124,998
Cash at banks			
- Current accounts	17.1	11,972,070	19,974,791
- Deposit accounts	17.2 & 17.3	34,370,838	60,518,447
		<u>46,413,056</u>	<u>80,618,236</u>
17.1			
This include Rupees 0.757 million (2022: 1.63 million) in respect of FPM-AML project. (refer Note 11.3).			
17.2			
This includes Rupees 7.47 million (2022: Rupees 26.111 million) in respect of Redemption Reserve Fund established on account of Certificate of Musharaka.			
17.3			
Effective profit rate in respect of deposit accounts ranges from 4.76% to 12.18% (2022: 2.33% to 6.50%) per annum.			

18. ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

2023 (Number of certificates)	2022	Note	2023 Rupees	2022 Rupees
11,989,930	11,989,930	Certificates of Rupees 10 each fully paid in cash.	119,899,298	119,899,298
1,798,490	1,798,490	Bonus certificates issued of Rupees 10 each.	17,984,895	17,984,895
<u>13,788,420</u>	<u>13,788,420</u>		<u>137,884,193</u>	<u>137,884,193</u>

18.1 As at 30 June 2023, Paramount Investments Limited (the Management Company) holds 14.26% (2022: 14.26%) representing 1,965,768 certificates (2022: 1,965,768 certificates) of the Modaraba.

19. CAPITAL RESERVES

Statutory reserve	19.1	59,240,549	52,700,425
Merger reserve	19.2	1,935,160	1,935,160
		<u>61,175,709</u>	<u>54,635,585</u>

19.1 Statutory reserve represents profit set aside to comply with the Prudential Regulations for Modarabas issued by the SECP vide S.R.O. 284(I)/2021 dated March 05, 2021. These Regulations require Modaraba to transfer not less than 20% and not more than 50% of its after tax profit till such time that the reserve equals 100% of the paid-up capital. During the year on 15 August 2022, SECP vide SRO 1547 (I)/2022 introduced changes in Regulation 13, which required that a Modaraba which is not compliant with minimum equity requirements as provided in the regulations, shall create reserve fund to which shall be credit an amount equivalent to 100% of its annual after-tax profit till such time the minimum equity requirements are complied with. During the year, the Modaraba transferred 100% of its after tax profits amounting to Rupees 6.54 million (2022: Rupees 1.991 million).

19.2 In accordance with decision of the Honourable High Court of Sindh as on December 08, 2004, the First National Modaraba (FNM) was merged with the Modaraba. The Modaraba received a sum of Rupees 10.568 million from FNM, including Rupees 8.663 million as a certificate capital and Rupees 1.935 million as capital reserve.

20. DEFERRED INCOME

Deferred murabaha income	20.1	18,919,498	24,587,049
		18,919,498	24,587,049
Less: Current portion of deferred income		(10,399,178)	(10,653,277)
		<u>8,520,320</u>	<u>13,933,772</u>

20.1 Deferred murabaha income

Balance as at 01 July	24,587,049	22,697,400
Add: Deferred income for the year	15,697,499	23,389,248
Less: Income recognized during the year	(21,365,050)	(21,499,599)
Balance as at 30 June	<u>18,919,498</u>	<u>24,587,049</u>

21. CERTIFICATES OF MUSHARAKA	Note	2023 Rupees	2022 Rupees
Balance as at 01 July		177,500,000	177,545,000
Issued during the year		23,275,000	29,040,000
Redeemed during the year		(33,275,000)	(29,085,000)
		167,500,000	177,500,000
Less: current portion of certificates of musharaka		(29,310,000)	(45,885,000)
Balance as at 30 June		138,190,000	131,615,000

- 21.1** As per Prudential Regulations for Modarabas issued by the SECP vide S.R.O. 284(I)/2021 dated 05 March 2021, the permission to issue Certificates of Musharaka by a Modaraba shall automatically stand suspended with the immediate effect, if the Modaraba becomes non-compliant with any or all of conditions prescribed in Regulation 19 of prudential regulations. However, existing Modarabas having valid permission to issue COM which are non-compliant with the conditions shall comply with the requirements within one year of the coming into force of the Regulations. Provided further that during the interim period of one year, the total COM of such modarabas shall be capped at the existing level i.e. the outstanding at the date of coming in to the force of the Regulations. Furthermore, during the year on 15 August 2022, SECP vide SRO 1547(I)/2022 introduced changes in Regulation 17(1)(a) where in case of non-compliance with the conditions given there-in which are also the subject of Regulation 19, compliance period is enhanced to 03 years. The Company based on the legal opinion 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)(a). However, the Modaraba is still non-compliant with certain conditions laid down in Regulation 19 as at reporting year end and believes to ensure compliance with the same within the said interim period.
- 21.2** These certificates have different denominations and are repayable within three months to five years. The expected share of profit on these certificates ranges from 7% to 12% (2022: 8.5% to 11%) per annum.
- 21.3** A Redemption Reserve Fund is established on account of Certificate of Musharaka (refer Note 17.1).

22. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors		1,190,140	6,533,346
Advance from customers		-	794,246
Accrued expenses		1,479,324	792,426
Sindh Workers' Welfare Fund	22.1	1,680,403	1,439,818
Withholding income tax		1,920,996	640,008
Management fee payable to:			
- FPM petro		1,591,369	431,505
- FPM solutions		-	-
Payable to provident fund		136,009	1,501
Others		1,099,828	1,659,030
		9,098,069	12,291,880

- 22.1** The Sindh Assembly, on 04 June 2015, passed The Sindh Workers Welfare Fund Act, 2014 (Sindh WWF Act). As per Section 5(1) of the Sindh WWF Act, contributions are payable with effect from the date of closing of account on or after 31 December 2013, that corresponds to Modaraba's accounting year ended on 30 June 2014. As per definitions Section 2(g) of the WWF Act, the Modarabas were considered to be an industrial establishment, despite the fact that even remotely they could not be considered as industrial establishment due to their nature of business. Further, the issue of apportionment of income relevant to the province of Sindh also needs to be clarified. The NBF & Modaraba Association of Pakistan is contemplating to file petition against such levy, as Sindh High Court has granted stay to various Banks and Financial Institutions in Suit No. 610 of 2017. However, the management of the Modaraba in consultation with the legal advisor has decided to record a provision on prudent basis, but payments are not being made.

23. This represents amount payable to legal successors of musharaka holders which is due but unclaimed due to pending documentation on death of the respective musharaka holders.

24. ACCRUED PROFIT ON CERTIFICATES OF MUSHARAKA	Note	2023 Rupees	2022 Rupees
Balance as at 01 July		2,198,270	1,679,198
Add: Accrued during the year		18,334,637	14,095,689
Less: Paid during the year		(16,919,269)	(13,576,617)
Balance as at 30 June		<u>3,613,638</u>	<u>2,198,270</u>

25. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- An amount of Rupees 1.2 million has been deducted from the bank account of the Modaraba on the instructions of the FBR vide letter # CIR/Zone-1/CRTO/Khi/2016/2544 dated 15 December 2016 on account of non deduction of withholding tax. The matter was taken to Commissioner Inland Revenue (Appeal III), Karachi who remanded back the case to the officer with directions to provide an opportunity of being heard to the Appellant. The worthy Commissioner in its Order vide no. 26/2017 dated 26 January 2017 has remanded the matter to the revenue. Management is confident that the deducted amount will be refunded, therefore, no expense has been booked in this regard. (refer Note 11.4).
- During the prior year, the Sindh Revenue Board (SRB) has raised accumulated demand of Rupees 7.064 million vide orders 629 of 2019, 632 of 2019, 635 of 2019 and 636 of 2019 dated 19 July 2019, 23 July 2019, 25 July 2019 and 29 July 2019, on the grounds that the Modaraba's activities fall under tariffs 9809, 9822, 9822.2 and 9822.3 of Second Schedule of the Sindh Sales Tax on Services Act, 2011 (the Act). The Assistant Commissioner of Sindh Revenue Board (SRB) after providing opportunity of being heard to Modaraba, issued order vide 915 dated 27 April 2022, whereby the Commissioner demanded the sales tax and penalty amounting to Rupees 7.56 million and 0.708 million respectively for the tax periods July 2011 to June 2017 on account of non-chargeability of Sindh Sales Tax against rental income of the Company. The company has filed appeal before the Commissioner Appeals -SRB and did not record any provision for this matter, as their tax advisor is confident that the pending appeal will be decided in the Company's favour

b) Commitments

There were no commitments outstanding as at the reporting date (2022: Nil).

26. OPERATING INCOME

Profit on:

- murabaha financing	20.1	21,365,050	21,499,599
- diminishing musharaka financing		275,112	1,136,942
- musharaka financing		3,277,208	2,471,035
		<u>24,917,370</u>	<u>25,107,576</u>

Income from:

- FPM Solution	26.1	15,276,583	8,092,520
- FPM Petro	26.2	282,218,779	273,585,756
		<u>297,495,362</u>	<u>281,678,276</u>
		<u>322,412,732</u>	<u>306,785,852</u>

26.1 This represents income generated from Project Power solution business of FPM Solutions. This 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. Sindh sales tax charged on sales tax invoices in aggregate amounting to Rupees 2.05 million (2022: 1.053 million).

26.2 This represents income generated from chemical business of FPM Petro Services. Sales tax charged on sales tax invoices in aggregate amounting to Rupees 50.2 million (2022: 39.329 million).

27. OPERATING EXPENSES	Note	2023 Rupees	2022 Rupees
Direct cost related to			
- FPM Solutions		9,087,947	5,442,243
- FPM Petro		234,659,445	232,088,975
Salaries, allowances and benefits	27.1	16,501,165	14,251,157
Utilities		1,412,749	918,502
Repairs and maintenance		472,590	764,493
Takaful		339,138	349,321
Rent, rates and taxes	27.2	2,341,224	1,158,822
Travelling and conveyance		3,158,255	2,035,607
Communications		654,448	927,178
Printing and stationery		452,381	493,493
Auditors' remuneration	27.3	708,750	675,000
Legal and professional		460,000	376,850
Fees and subscriptions		4,599,246	3,431,200
Bad debts written-off		1,633,418	-
News papers and periodicals		11,955	10,305
Advertisement and publicity		122,500	45,200
Depreciation and amortization		2,564,019	1,336,948
Contractual management fee			
- FPM Petro		15,956,910	12,948,284
- FPM Solutions		-	-
Loss on disposal of fixed asset		21,669	-
Others		707,830	408,984
		295,865,639	277,662,560

27.1 Salaries, allowances and benefits include 0.548 million Rupees (2022: Rupees 0.469 million) on account of the Modaraba's contribution to the staff provident fund.

27.2 This includes Rupees 0.93 million charge by director (2022: Rupees 0.875 million) in respect of rent for FPM Solutions premises.

27.3 Auditors' remuneration

Statutory audit fee	493,500	490,000
Half yearly review fee	115,500	100,000
Certification fee	99,750	85,000
	708,750	675,000

28. OTHER INCOME

Financial assets

Profit on bank deposits	3,794,062	1,574,393
Dividend on short term investment	913,429	-
Others	494,098	63,239

Non-financial assets

Others	-	3,072,955
	5,201,589	4,710,587

29. FINANCIAL CHARGES	Note	2023 Rupees	2022 Rupees
Profit on certificates of musharaka		18,334,637	14,095,689
Bank charges		56,928	71,878
		<u>18,391,565</u>	<u>14,167,567</u>

30. MODARABA COMPANY'S MANAGEMENT FEE

The Management Company is entitled to a remuneration 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 2023 has been recognized at 10% (2022: 10%) of profit for the year.

31. TAXATION

Current	31.1	4,155,756	5,151,884
Prior		1,092,791	-
Deferred	31.2	-	-
		<u>5,248,547</u>	<u>5,151,884</u>

31.1 Current

During the prior years, the President of Pakistan promulgated the Tax Law (Second Amendment) Ordinance, 2021, whereby Clause 100 of the Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 relating to the Tax Exemption available to the Modarabas subject to certain conditions stands withdrawn effective from 01 July 2021. The income of Modaraba is now taxable at corporate tax rates and is treated accordingly in these financial statement.

Relationship between tax expense and accounting profit:

Accounting profit before taxation	11,788,671	15,108,662
Tax @ 29% (2022: 29%)	<u>3,418,715</u>	4,381,512
Effect of:		
Accelerated depreciation	187,119	346,475
Provision for expected credit loss	373,540	503,714
Prior year	1,092,791	-
Tax other than corporate rate tax	610,562	-
Other computational adjustments	<u>(434,180)</u>	<u>(79,817)</u>
	<u>5,248,547</u>	<u>5,151,884</u>

31.2 DEFERRED TAX (ASSET) / LIABILITY

Deferred tax asset comprises of:

(Deductible) temporary differences on:

Allowance for expected credit losses	(1,288,067)	(1,736,945)
Murabaha financing	(180,385)	-
	<u>(1,468,452)</u>	<u>(1,736,945)</u>

Deferred tax liability comprises of:

Taxable temporary differences on:

Fixed assets	997,937	1,194,743
Deferred tax asset unrecognized	(470,515)	(542,202)
As at 30 June	-	-

31.3 Deferred tax asset as at 30 June 2023 to the extent of Rupees 0.47 million (30 June 2022: 0.54 million) has not been recognized as the Company is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

32. EARNINGS PER CERTIFICATE - BASIC AND DILUTED	Note	2023 Rupees	2022 Rupees
Profit for the year (RUPEES)		6,540,124	9,956,777
Weighted average number of certificates (NUMBERS)		13,788,420	13,788,420
Earnings per certificate - basic and diluted (RUPEE)		0.474	0.722

32.1 There is no dilutive effect on the basic earnings per share of the Modaraba, since there are no convertible instruments in issue as at 30 June 2023 (2022: Nil) which would have any effect on the earnings per certificate if the option to convert is exercised.

33. CHANGES ARISING FROM FINANCING ACTIVITIES

2023	01 July 2022	Financing cash inflows	Financing cash outflows	Non Cash changes	30 June 2023
	Rupees	Rupees	Rupees	Rupees	Rupees
Unclaimed profit distributions	21,135,469	-	(1,900,614)	-	19,234,855
Accrued profit on certificates of musharaka	2,198,270	-	(16,919,269)	18,334,637	3,613,638
COM matured parties	1,850,000	-	-	8,000,000	9,850,000
Certificates of musharaka	177,500,000	23,275,000	(33,275,000)	-	167,500,000
2022	01 July 2021	Financing cash inflows	Financing cash outflows	Non Cash changes	30 June 2022
	Rupees	Rupees	Rupees	Rupees	Rupees
Unclaimed profit distributions	19,731,214	-	(4,800,535)	6,204,790	21,135,469
Accrued profit on certificates of musharaka	1,679,198	-	(13,576,617)	14,095,689	2,198,270
COM matured parties	2,350,000	-	(500,000)	-	1,850,000
Certificates of musharaka	177,545,000	29,040,000	(29,085,000)	-	177,500,000

34. REMUNERATION OF OFFICERS AND OTHER EMPLOYEES

	2023		2022	
	Officers	Other employees	Officers	Other employees
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	5,611,440	7,643,425	4,942,000	6,548,300
Allowances	790,288	973,910	569,720	1,278,687
Provident fund	280,572	267,433	237,600	231,075
EOBI	52,800	116,940	2,600	102,152
Others	5,250	759,107	91,324	247,699
	6,740,350	9,760,815	5,843,244	8,407,913
Number of person	4	15	4	16

34.1 In addition to the above, Some of the officers have been provided with vehicle maintained by the Modaraba.

35. TRANSACTION WITH RELATED PARTIES

The related parties comprise of management company, associated undertakings and key management personnel. The Modaraba in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Relationship with Modaraba	Name of Related Party	Basis of relationship	Nature of transaction	2023 Rupees	2022 Rupees
i. Management Company	Paramount Investments Limited	14.26% certificate holdings	Management fee including sale tax on fee	1,510,340	1,935,690
			Payments made during the year	2,995,904	3,794,208
			Expenses allocated		187,777
			Profit distribution		884,596
iii. Directors and their spouse			Rent paid	1,585,011	875,232
			Profit distribution	-	383,696
iv. Staff retirement funds	Paramount Investments Limited - Provident Fund	Funded Employees' scheme provident fund	Contribution to the Fund	548,003	468,676
			Profit paid on certificates of musharaka	146,419	112,505
Receivable / (payable) closing balance					
i. Management Company	Paramount Investments Limited	14.26% certificate holdings	Other receivable	6,893,714	5,408,150
ii. Musharaka Investors - Generator Project	AL-Burq Associates	47.91% share of Modaraba	Other payable	-	766,300
iii. Directors	-	-	Security deposit	217,800	217,800
iv. Staff retirement funds	Paramount Investments Limited - Provident Fund	Funded Employees' scheme provident fund	Certificates of musharaka	(1,400,000)	(1,400,000)
			Accrued profit on certificate of musharaka	(3,353)	(3,071)

35.1 Detail of compensation to key management personnel comprising of officers is disclosed in Note 34.

36. INFORMATION ABOUT BUSINESS SEGMENTS

36.1 The Modaraba's reportable segments are as follows as per the Modaraba's policy:

Financing

Modaraba provides financing to individuals and corporate clients. Financing facilities includes murabaha, diminishing musharaka, modaraba and musharaka finance.

FPM Solutions

FPM has started this project for providing power solutions to the Service and Manufacturing Industry and in this reporting period has able to generate a good business relations in the field of Financial sector as well as Manufacturer. The main activity of this Business Project is to provide Back-up support through UPS Batteries. FPM has plans to increase its Investments in this Project as many of the Contracts are in pipe line.

FPM Petro Services

FPM petro services engaged in provision of various chemical components to different sectors nationally and internationally. Modaraba has started this project with effect from February 18, 2015. As per the arrangement, the Modaraba has financed the venture and is entitled to profit share of 60%, where as loss shall be borne by the Modaraba.

Information regarding the Modaraba's reportable segments is presented below.

36.2 Segment assets and liabilities

	2023									
	Financing		FPM Petro		FPM Solutions		Others		Total	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Segment assets	295,974,612	153,192,339	4,466,544	190,691	453,824,186					
Segment liabilities	(186,476,360)	(34,700,325)	(11,218,119)	22,988	(232,371,816)					
	2022									
	Financing		FPM Petro		FPM Solutions		Others		Total	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Segment assets	338,378,949	98,388,400	15,282,586	14,425,566	466,475,501					
Segment liabilities	(213,071,338)	(9,113,354)	(22,462,609)	(6,915,954)	(251,563,255)					

36.3 Segment revenue and results

Following is an analysis of the Modaraba's revenue and results by reportable segment:

Financing	2023				Total
	FPM Petro	FPM Solutions	Others		
	Rupees	Rupees	Rupees	Rupees	
Operating income	24,917,370	282,218,779	15,276,583	-	322,412,732
Operating expenses	(27,578,119)	(253,441,968)	(14,845,039)	(513)	(295,865,639)
Provision for doubtful recoveries	118,661	-	(109,938)	-	8,723
	(2,542,088)	28,776,811	321,606	(513)	26,555,816
Other income	4,641,091	432,390	109,595	18,513	5,201,589
	2,099,003	29,209,201	431,201	18,000	31,757,405
Financial charges	(18,390,578)	(153)	(57)	(778)	(18,391,565)
	(16,291,575)	29,209,048	431,143	17,223	13,365,840
Modaraba Company's management fee inclusive of sales tax	1,629,158	(2,920,905)	(43,114)	(1,723)	(1,336,584)
Provision for Sindh Workers' Welfare Fund	293,248	(525,763)	(7,761)	(309)	(240,585)
Profit before taxation	(14,369,169)	25,762,380	380,269	15,191	11,788,671
Taxation	(5,248,547)	-	-	-	(5,248,547)
Profit after taxation	(19,617,716)	25,762,380	380,269	15,191	6,540,124

2022

	2022				
	Financing	FPM Petro	FPM Solutions	Others	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Operating income	25,107,576	273,585,756	8,092,520	-	306,785,852
Operating expenses	(22,082,064)	(246,280,562)	(9,279,806)	(20,132)	(277,662,560)
Provision for doubtful recoveries	(294,102)	(1,992,196)	(250,012)	-	(2,536,310)
Other income	2,731,410	25,312,998	(1,437,298)	(20,132)	26,586,982
	4,558,476	7,494	141,968	2,649	4,710,587
	7,289,886	25,320,492	(1,295,330)	(17,483)	31,297,569
Financial charges	(14,143,353)	(57)	(24,158)		(14,167,567)
	(6,853,467)	25,320,435	(1,319,488)	(17,483)	17,130,002
Modaraba Company's management fee inclusive of sales tax	685,347	(2,532,044)	131,949	1,748	(1,713,000)
Provision for Sindh Workers' Welfare Fund	123,362	(455,768)	23,751	315	(308,340)
Profit before taxation	(6,044,759)	22,332,623	(1,163,788)	(15,420)	15,108,662
Taxation	(5,151,884)	-	-	-	(5,151,884)
Profit after taxation	(11,196,643)	22,332,623	(1,163,788)	(15,420)	9,956,778

36.4 Operating income

2023					
Financing	FPM Petro	FPM Solutions	Others	Total	
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Operating revenue					
Profit on:					
- murabaha financing	-	-	-	21,365,050	21,365,050
- diminishing musharaka financing	-	-	-	275,112	275,112
- musharaka financing	-	-	-	3,277,208	3,277,208
- modaraba financing	-	-	-	-	-
Income from:					
- dry batteries modaraba	-	-	-	-	-
- FPM Solution	-	15,276,583	-	15,276,583	15,276,583
- FPM Petro	282,218,779	-	-	282,218,779	282,218,779
- FPM Geo-Dynamics International	-	-	-	-	-
	24,917,370	282,218,779	15,276,583	-	322,412,732

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Operating revenue

2022					
Financing	FPM Petro	FPM Solutions	Others	Total	
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Operating revenue					
Profit on:					
- murabaha financing	-	-	-	21,499,599	21,499,599
- diminishing musharaka financing	-	-	-	1,136,942	1,136,942
- musharaka financing	-	-	-	2,471,035	2,471,035
- modaraba financing	-	-	-	-	-
Income from:					
- dry batteries modaraba	-	-	-	-	-
- FPM Solution	-	8,092,520	-	8,092,520	8,092,520
- FPM Petro	273,585,756	-	-	273,585,756	273,585,756
- FPM Geo-Dynamics International	-	-	-	-	-
	25,107,576	273,585,756	8,092,520	-	306,785,852

36.5 Operating expenses

2023

	2023				
	Financing	FPM Petro	FPM Solutions	Others	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Operating expenses					
Direct cost	-	234,659,445	9,087,947	-	243,747,392
Salaries, allowances and benefits	15,238,165	-	1,263,000	-	16,501,165
Utilities	755,990	-	656,759	-	1,412,749
Repairs and maintenance	362,650	2,900	107,040	-	472,590
Insurance	260,898	78,240	-	-	339,138
Rent, rates and taxes	922,368	485,100	933,756	-	2,341,224
Travelling and conveyance	1,466,605	1,344,150	347,500	-	3,158,255
Communications	588,438	37,840	28,170	-	654,448
Printing and stationary	432,531	19,850	-	-	452,381
Auditors' remuneration	708,750	-	-	-	708,750
Legal and professional	460,000	-	-	-	460,000
Fees and subscription	3,483,846	60,000	1,055,400	-	4,599,246
Bad debts written-off	699,133	-	934,285	-	1,633,418
News papers and periodicals	11,955	-	-	-	11,955
Advertisement and publicity	36,000	86,500	-	-	122,500
Depreciation and amortization	1,963,979	346,122	253,405	513	2,564,019
Contractual management fee	-	15,956,910	-	-	15,956,910
Loss on disposal of fixed asset	21,669	-	-	-	21,669
Others	165,142	364,911	177,777	-	707,830
	27,578,119	253,441,968	14,845,039	513	295,865,639

		2022			
Financing	FPM Petro		FPM Solutions		Total
	Rupees	Rupees	Rupees	Rupees	
Operating expenses					
Direct costs	-	232,088,975	5,442,243	-	237,531,218
Salaries, allowances and benefits	12,918,640	-	1,312,517	20,000	14,251,157
Utilities	562,584	-	355,918	-	918,502
Repairs and maintenance	680,935	14,000	69,558	-	764,493
Insurance	290,364	58,957	-	-	349,321
Rent, rates and taxes	274,340	9,250	875,232	-	1,158,822
Travelling and conveyance	1,279,160	555,947	200,500	-	2,035,607
Communications	745,135	149,212	32,830	-	927,175
Printing and stationary	395,961	85,932	11,600	-	493,493
Auditors' remuneration	675,000	-	-	-	675,000
Legal and professional	376,850	-	-	-	376,850
Fees and subscription	2,715,490	500	715,210	-	3,431,200
News papers and periodicals	10,305	-	-	-	10,305
Advertisement and publicity	45,200	-	-	-	45,200
Depreciation and amortization	721,646	350,975	264,198	132	1,336,949
Contractual management fee	-	12,948,284	-	-	12,948,284
Others	390,454	18,530	-	-	408,984
	22,082,064	246,280,562	9,279,806	20,132	277,662,560

		2023			
Financing		FPM Petro	FPM Solutions	Others	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Other income					
Profit on bank deposits	3,652,951	27,790	109,595	3,726	3,794,062
Others	988,140	404,600	-	14,787	1,407,527
	4,641,091	432,390	109,595	18,513	5,201,589

		2022			
Financing		FPM Petro	FPM Solutions	Others	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Other income					
Profit on bank deposits	4,495,237	7,494	141,968	2,649	4,647,348
Others	63,239	-	-	-	63,239
	4,558,476	7,494	141,968	2,649	4,710,587

		2023			
Financing		FPM Petro	FPM Solutions	Others	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Financial charges					
Profit on certificates of musharaka	18,334,637	-	-	-	18,334,637
Bank charges	55,941	153	57	779	56,928
	18,390,578	153	57	779	18,391,565

		2022			
Financing		FPM Petro	FPM Solutions	Others	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Financial charges					
Profit on certificates of musharaka	14,095,689	-	-	-	14,095,689
Bank charges	47,664	57	24,158	-	71,878
	14,143,353	57	24,158	-	14,167,567

Revenue reported in above segments generated from external customers.
The accounting policies of the reportable segments are the same as the Modaraba's accounting policies described in note 4 to these financial statements.

36.6 Other income

Other income

Profit on bank deposits
Others

Other income

Profit on bank deposits
Others

36.7 Financial charges

Financial charges

Profit on certificates of musharaka
Bank charges

Financial charges

Profit on certificates of musharaka
Bank charges

Revenue reported in above segments generated from external customers.

The accounting policies of the reportable segments are the same as the Modaraba's accounting policies described in note 4 to these financial statements.

36.8 Other segment information

	2023				
	Financing	FPM Petro	FPM Solutions	Others	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Capital expenditure - net	1,652,180	653,500	411,979	-	2,717,659
Depreciation, amortization and impairment	1,963,979	346,122	253,402	516	2,564,019
Non - cash items (excluding depreciation, amortization and impairment)	118,661	-	(109,938)	-	8,723
	2022				
	Financing	FPM Petro	FPM Solutions	Others	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Capital expenditure - net	8,234,795	-	116,000	-	8,350,795
Depreciation, amortization and impairment	721,646	350,975	264,198	132	1,336,951
Non - cash items (excluding depreciation, amortization and impairment)	55,898	(2,242,208)	-	-	(2,186,310)

37. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

37.1 Financial risk factors

The objective of the Modaraba's financial risk management is to minimize volatility and provide maximum return to certificate holders. The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Modaraba's risk management framework and policies.

The Modaraba's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Audit Committee of the Management Company oversees how management monitors compliance with the Modaraba's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Modaraba.

The Modaraba has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(a) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Modaraba by failing to discharge an obligation. The risk is generally limited to outstanding amount against financing facilities and trade debts. The Modaraba's policy is to enter into financial contracts in accordance with the risk management policies and the requirements of the Modaraba rules and regulations.

The carrying amount of these financial assets represents the maximum credit exposure at the reporting date.

	2023 Rupees	2022 Rupees
Murabaha financing	99,799,029	135,390,547
Diminishing musharaka financing	683,764	3,466,606
Musharaka financing	28,949,054	40,000,000
Loan to employees	769,501	1,005,500
Long-term deposits	264,500	324,500
Trade debtors	91,409,541	67,736,511
Advances and other receivables	17,431,882	9,916,527
Modaraba financing	1,822,314	1,923,382
Short-term murabaha financing	15,622,491	20,218,487
Short-term deposit	3,950,000	-
Accrued profit	2,494,612	4,192,588
Receivable against sale of Al-Burq	1,221,554	-
Short-term investment	20,776,415	-
Bank balances	46,342,908	80,493,238
	331,537,565	364,667,886

Description of collateral held

The Modaraba holds security in the form of mortgage of properties, hypothecation and pledge of goods and demand promissory notes against modaraba, murabaha, diminishing musharaka and musharaka investments.

Concentration of credit risk

The Modaraba manages credit risk and its concentration through diversification of activities to avoid undue concentration of risks with individuals, groups or specific industry segments. For this purpose, the Modaraba has established exposure limits for individuals / groups and industrial sectors.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Modaraba believes that it is not exposed to major concentration of credit risk. The modaraba's bankers are of good rating. Details of the industrial sector analysis of each financing are as follows:

	2023		2022	
	Rupees	%	Rupees	%
Chemical, fertilizer and pharmaceutical	14,920,679	9.85%	15,159,430	7.31%
Fuel and energy	11,844,056	7.82%	1,033,686	0.50%
Food, tobacco and beverages	51,778,689	34.18%	65,469,661	31.55%
Paper and board	3,874,738	2.56%	49,264,549	23.74%
Textile and Garments	-	0.00%	3,932,177	1.89%
Steel, engineering and automobiles	-	0.00%	1,923,382	0.93%
Transportation and communication	291,582	0.19%	36,399,182	17.54%
Others	68,769,827	45.40%	34,336,767	16.55%
	151,479,571	100%	207,518,834	100%

Modaraba's operations are restricted to Pakistan only.

Ageing analysis of financing facilities:

	2023			2022		
	Carrying amount		Provision held	Carrying amount		Provision held
	Not impaired	Impaired		Not impaired	Impaired	
	Rupees	Rupees	Rupees	Rupees	Rupees	
Not past due	94,525,209	-	-	164,943,078	-	-
Past due 0 to 90 days	53,753,538	-	-	6,891,015	-	-
Past due 91 days to 1 year	812,500	-	-	21,923,382	-	-
Past due 1 to 2 year	-	-	-	8,000,000	-	-
Past due 2 year - 3 years	-	-	-	-	-	-
Past due more than 3 years	-	2,388,324	(2,388,324)	3,254,374	2,506,985	(2,506,985)
Total	149,091,247	2,388,324	(2,388,324)	205,011,849	2,506,985	(2,506,985)

Provision is recognised by the Modaraba as per the requirements given under Modaraba Prudential Regulations.

The credit quality of balances with banks that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

Banks	Rating			2023 Rupees	2022 Rupees
	Long-term	Short-term	Agency		
State Bank of Pakistan	-	-	-	36,957	50,191
Habib Bank Limited	AA+	A1+	PACRA	422,674	422,674
Habib Metropolitan Bank Limited	AA+	A1+	PACRA	20,801,592	49,624,299
Faysal Bank Limited	AA	A1+	PACRA	245,895	2,710,862
Meezan Bank Limited	AAA	A1+	VIS	24,824,177	26,907,754
Al Baraka Bank (Pakistan) Limited	A+	A1	VIS	9,963	731,937
Bank Islami Pakistan Limited	AA-	A1	PACRA	1,650	45,521
				46,342,908	80,493,238

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Modaraba. Accordingly, the credit risk is minimal.

(b) Liquidity Risk

Liquidity risk is the risk that the Modaraba will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Modaraba could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation. The Modaraba manages liquidity risk by monitoring future cash flows on a day-to-day basis. The amount disclosed in the table are undiscounted cash flows.

Contractual maturities of financial liabilities:

2023	Contractual cash flows				Total
	Carrying amount	Maturity upto one year	Maturity after one year but upto three years	More than three years	
	Rupees	Rupees	Rupees	Rupees	Rupees
Certificates of musharaka	167,500,000	29,310,000	57,660,000	80,530,000	167,500,000
Creditors, accrued and other liabilities	5,496,670	5,496,670	-	-	5,496,670
Accrued profit on certificates of musharaka	3,613,638	3,613,638	-	-	3,613,638
COM matured parties	9,850,000	9,850,000	-	-	9,850,000
Unclaimed profit distributions	19,234,855	19,234,855	-	-	19,234,855
Total	205,695,163	67,505,163	57,660,000	80,530,000	205,695,163

2022	Contractual cash flows				Total
	Carrying amount	Maturity upto one year	Maturity after one year but upto three years	More than three years	
	Rupees	Rupees	Rupees	Rupees	Rupees
Certificates of musharaka	177,500,000	45,885,000	65,440,000	66,175,000	177,500,000
Creditors, accrued and other liabilities	9,417,808	9,417,808	-	-	9,417,808
Accrued profit on certificates of musharaka	2,198,270	2,198,270	-	-	2,198,270
COM matured parties	1,850,000	1,850,000	-	-	1,850,000
Unclaimed profit distributions	21,135,469	21,135,469	-	-	21,135,469
	212,101,547	80,486,547	65,440,000	66,175,000	212,101,547

c) Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Modaraba is not exposed to equity price risk and currency risk. The profit rate risk associated with the Modaraba's business activities is stated as under:

Profit / mark-up rate risk

Mark-up rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market yield. The Modaraba has adopted appropriate policies to minimise its exposure to this risk. At the reporting date, the profit rate profile of the Modaraba's significant mark-up bearing financial instruments was as follows:

	2023 Rupees	2022 Rupees
Financial assets		
Fixed rate		
Murabaha financing	99,799,029	135,390,547
Diminishing musharaka financing	683,764	3,466,606
Short-term murabaha financing	15,622,491	20,218,487
	116,105,284	159,075,640
Financial liability-fixed rate		
Variable rate		
Bank balances	34,370,838	60,518,447
	34,370,838	60,518,447
Financial liabilities		
Variable rate		
Certificate of musharaka	167,500,000	177,500,000
On balance sheet gap	(133,129,162)	(116,981,553)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have (decreased) / increased loss for the year by the amounts shown below. This analysis assumes that all other variables remain constant. The following information summarizes the estimated effects of hypothetical increases and decreases in interest rates on cash flows from financial assets and liabilities that are subject to profit rate risk.

	2023		2022	
	Increase Rupees	Decrease Rupees	Increase Rupees	Decrease Rupees
Cash flow sensitivity - variable rate financial assets	343,708	(343,708)	605,184	(605,184)
Cash flow sensitivity - variable rate financial liabilities	(1,675,000)	1,675,000	(1,775,000)	1,775,000
Net effect	(1,331,292)	1,331,292	(1,169,816)	1,169,816

37.2 Recognized fair value measurements

(a) Financial Assets

Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Modaraba has classified its financial instruments into the following three levels.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Modaraba is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Investment of the Modaraba carried at fair value are categorized as follows:

	30-Jun-23			Total
	Level-1	Level-2	Level-3	
	-----Rupees-----			
Assets				
Short term investment	20,776,415	-	-	20,776,415
Fair value through profit or loss				
	20,776,415	-	-	20,776,415
	30-Jun-22			
	Level-1	Level-2	Level-3	Total
	-----Rupees-----			
Assets				
Fair value through profit or loss	-	-	-	-
	-	-	-	-

There were no transfers between various levels of fair value hierarchy during the year.

(b) Non Financial Assets

The carrying value of all non-financial assets reflected in these financial statements are approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

37.3 Financial instruments by categories

Financial assets as per balance sheet

	At amortized cost	
	2023 Rupees	2022 Rupees
Murabaha financing	99,799,029	135,390,547
Diminishing musharaka financing	683,764	3,466,606
Musharaka financing	28,949,054	40,000,000
Loan to employees	769,501	1,005,500
Long-term deposits	264,500	324,500
Trade debtors	91,409,541	67,736,511
Advances and other receivables	17,431,882	9,916,527
Modaraba financing	1,822,314	1,923,382
Short-term murabaha financing	15,622,491	20,218,487
Short-term deposit	3,950,000	-
Accrued profit	2,494,612	4,192,588
Receivable against sale of Al-Burq	1,221,554	-
Cash and bank balances	46,413,056	80,618,236
	310,831,298	364,792,884

Short term investment

At fair value through profit or loss

20,776,415 -

Financial liabilities as per balance sheet

	At amortized cost	
Certificates of musharaka	167,500,000	177,500,000
Creditors, accrued and other liabilities	5,496,670	9,417,808
COM matured parties	9,850,000	1,850,000
Accrued profit on certificates of musharaka	3,613,638	2,198,270
Unclaimed profit distributions	19,234,855	21,135,469
	205,695,163	212,101,547

Reconciliation to the line items presented in the balance sheet is as follows:

	Financial assets	Non-financial assets	Total as per balance sheet
	Rupees	Rupees	Rupees
As at 30 June 2023			
Assets as per balance sheet			
Fixed Assets	-	12,365,684	12,365,684
Murabaha financing	99,799,029	-	99,799,029
Diminishing musharaka financing	683,764	-	683,764
Musharaka financing	28,949,054	-	28,949,054
Loan to employees	769,501	-	769,501
Long-term deposits	264,500	-	264,500
Stores and spares	-	37,779,122	37,779,122
Trade debtors	91,409,541	-	91,409,541
Advances, prepayments and other receivables	17,431,882	19,008,738	36,440,620
Modaraba financing	1,822,314	-	1,822,314
Short-term murabaha financing	15,622,491	-	15,622,491
Short-term deposit	3,950,000	-	3,950,000
Accrued profit	2,494,612	-	2,494,612
Short-term investment	20,776,415	-	20,776,415
Tax refunds due from government	-	53,062,929	53,062,929
Receivable against sale of Al-Burq	1,221,554	-	1,221,554
Cash and bank balances	46,413,056	-	46,413,056
	331,607,713	122,216,473	453,824,186

As at 30 June 2023

Deferred income	-
Certificates of musharaka	167,500,000
Creditors, accrued and other liabilities	5,496,670
Accrued profit on certificates of musharaka	3,613,638
COM matured parties	9,850,000
Unclaimed profit distributions	19,234,855
Provision for taxation	-
Liabilities associated with assets classified as held for sale	-

Financial liabilities	Non-financial liabilities	Total as per balance sheet
Rupees	Rupees	Rupees
-	18,919,498	18,919,498
167,500,000	-	167,500,000
5,496,670	3,601,399	9,098,069
3,613,638	-	3,613,638
9,850,000	-	9,850,000
19,234,855	-	19,234,855
-	4,155,756	4,155,756
-	-	-
205,695,163	26,676,653	232,371,816

As at 30 June 2022

Assets as per balance sheet

Fixed Assets	-
Murabaha financing	135,390,547
Diminishing musharaka financing	3,466,606
Musharaka financing	40,000,000
Loan to employees	1,005,500
Long-term deposits	324,500
Stores and spares	-
Trade debtors	67,736,511
Advances, prepayments and other receivables	9,916,527
Modaraba financing	1,923,382
Short-term murabaha financing	20,218,487
Accrued profit	4,192,588
Tax refunds due from government	-
Cash and bank balances	80,618,236
Asset classified as held for sale	-

Financial assets	Non-financial assets	Total as per balance sheet
Rupees	Rupees	Rupees
-	12,293,712	12,293,712
135,390,547	-	135,390,547
3,466,606	-	3,466,606
40,000,000	-	40,000,000
1,005,500	-	1,005,500
324,500	-	324,500
-	8,680,322	8,680,322
67,736,511	-	67,736,511
9,916,527	18,945,904	28,862,431
1,923,382	-	1,923,382
20,218,487	-	20,218,487
4,192,588	-	4,192,588
-	47,600,423	47,600,423
80,618,236	-	80,618,236
-	14,162,256	14,162,256
364,792,884	101,682,616	466,475,501

As at 30 June 2022

Deferred Income	-
Certificates of musharaka	177,500,000
Creditors, accrued and other liabilities	9,417,808
Accrued profit on certificates of musharaka	2,198,270
COM matured parties	1,850,000
Unclaimed profit distributions	21,135,469
Provision for taxation	-
Liabilities associated with assets held for sale	-

Financial liabilities	Non-financial liabilities	Total as per balance sheet
Rupees	Rupees	Rupees
-	24,587,049	24,587,049
177,500,000	-	177,500,000
9,417,808	2,874,072	12,291,880
2,198,270	-	2,198,270
1,850,000	-	1,850,000
21,135,469	-	21,135,469
-	5,151,884	5,151,884
-	6,848,703	6,848,703
212,101,547	39,461,708	251,563,255

38. PROVIDENT FUND RELATED DISCLOSURE

38.1 The following information is based on un-audited financial information of the Staff Provident Fund for the year ended 30 June 2023 and 30 June 2022.

	2023 Rupees	2022 Rupees
Size of the funds - Total assets	8,140,662	6,677,061
Cost of investments	1,400,000	1,400,000
Fair value of investments out of Provident Fund	1,400,000	1,400,000
Percentage of investments made	17%	20%

38.2 Details of fair value of investments:

Bank balances	4,202,661	3,567,081
Investment in sharia compliant certificate of musharaka	1,400,000	1,400,000
	5,602,661	4,967,081

39. NUMBER OF EMPLOYEES

The number of employees during the year are as follows:

Number of employees - permanent	17	18
Average number of employees - permanent	17	17
Number of employees - contractual	2	2
Average number of employees - contractual	2	2

40. GENERAL

40.1 Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification / rearrangement of the corresponding figures has been made during the year in these financial statements except for the following for better presentation:

40.2 Figures have been rounded off to the nearest rupees.

41. DATE OF AUTHORISATION FOR ISSUE

These financial statements are approved and authorised for issue on _____ by the Board of Directors of the Modaraba Management Company.

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

FIRST PARAMOUNT MODARABA

Pattern of Shareholding

As On 30/06/2023

NO. OF SHAREHOLDERS	<--- HAVING SHARES --->		SHARES HELD	PERCENTAGE
	From	To		
201	1	100	5386	0.0391
141	101	500	35135	0.2548
209	501	1000	152372	1.1051
444	1001	5000	941725	6.8298
76	5001	10000	545047	3.9529
47	10001	15000	589106	4.2725
20	15001	20000	337192	2.4455
19	20001	25000	437265	3.1712
18	25001	30000	492306	3.5704
4	30001	35000	129819	0.9415
6	35001	40000	223552	1.6213
3	40001	45000	129276	0.9376
8	45001	50000	378653	2.7462
3	50001	55000	154901	1.1234
4	55001	60000	230729	1.6734
2	60001	65000	125010	0.9066
5	65001	70000	338899	2.4579
2	70001	75000	148795	1.0791
2	75001	80000	155421	1.1272
3	80001	85000	248654	1.8034
3	95001	100000	294909	2.1388
1	100001	105000	101132	0.7335
5	110001	115000	566542	4.1088
1	115001	120000	119723	0.8683
2	125001	130000	255749	1.8548
1	130001	135000	132865	0.9636
2	150001	155000	303438	2.2007
1	160001	165000	162634	1.1795
1	185001	190000	187034	1.3565
1	190001	195000	190703	1.3831
1	200001	205000	205000	1.4868
1	205001	210000	207500	1.5049
3	225001	230000	687000	4.9824

FIRST PARAMOUNT MODARABA

Pattern of Shareholding

As On 30/06/2023

NO. OF SHAREHOLDERS	<--- HAVING SHARES --->		SHARES HELD	PERCENTAGE
	From	To		
1	275001	280000	276500	2.0053
1	295001	300000	300000	2.1757
1	395001	400000	400000	2.9010
1	420001	425000	423471	3.0712
1	425001	430000	429184	3.1126
1	430001	435000	434618	3.1521
1	500001	505000	502222	3.6423
1	1805001	1810000	1808949	13.1193
1248		Company Total	13788416	100.0000

FIRST PARAMOUNT MODARABA

Category of Shareholders

As On 30/06/2023

Particulrs	No of Folio	Balance Share	Percentage
DIRECTORS, CEO & CHILDREN	4	263388	1.9102
ASSOCIATED COMPANIES	4	1965768	14.2567
BANKS, DFI & NBF1	1	28	0.0002
GENERAL PUBLIC (LOCAL)	1203	9765620	70.8248
GENERAL PUBLIC (FORIEGN)	28	1032497	7.4881
OTHERS	7	258893	1.8776
MODARABAS	1	502222	3.6423
Company Total	1248	13788416	100.0000

FIRST PARAMOUNT MODARABA

Category of Shareholders

As On 30/06/2023

Folio No	Name	Code	Balance Held	Percentage
000000001121	MR. NADIM IQBAL	001	1160	0.0084
000000001706	MR. TANWEER AHMED MAGOON	001	99487	0.7215
000000002006	MR. HUMAYUN MAZHAR QURESHI	001	162634	1.1795
000000008271	MR. ABDUL RAZZAK JANGDA	001	107	0.0008
000000000001	PARAMOUNT INVESTMENTS LIMITED	002	8371	0.0607
000000001963	PARAMOUNT INVESTMENT LIMITED	002	113292	0.8216
000000008004	PARAMOUNT INVESTMENTS LIMITED	002	35156	0.2550
003277071155	PARAMOUNT INVESTMENTS LIMITED	002	1808949	13.1193
003889000028	NATIONAL BANK OF PAKISTAN	004	28	0.0002
000000001259	MR. DAWOOD AKHTAR	009	1375	0.0100
000000001277	MR. MUHAMMAD ARSHAD	009	11627	0.0843
000000001316	MR. SHAKIL AKHTAR	009	1375	0.0100
000000001379	MR. JAVED AHMED ALVI	009	8944	0.0649
000000001557	MR. KAUSER MAHMOOD BUTT	009	11696	0.0848
000000001690	SYED ASIM BIN ZAHIR HASHMI	009	1375	0.0100
000000001745	MR. MOHAMMAD ILYAS	009	1375	0.0100
000000001773	MR. KHALID MAHMOOD	009	1375	0.0100
000000001885	MR. INAYAT UR REHMAN	009	4127	0.0299
001826084921	MUHAMMAD SADIQ FAROOQI /	009	7411	0.0537
003277079448	MUHAMMAD AQIB	009	12	0.0001
003277080778	ZEENAT ASHRAF DANGRA	009	297	0.0022
003277082920	ABDUL QADIR	009	429184	3.1126
003277082921	MUHAMMAD HAROON	009	423471	3.0712
003525100160	KHALID LATIF SIDDIQUE	009	4950	0.0359
003525103315	AMIR SAEED CHAUDHRY	009	1160	0.0084
004002033460	SAEED MUHAMMAD	009	1375	0.0100
004010030051	OSAMA ZAHID	009	6000	0.0435
004341023875	AAMIR NADEEM SHEIKH	009	151	0.0011
005264085824	SUJEEL YUSUF	009	25000	0.1813
005587084570	SYED SALMAN HAIDER RIZVI	009	500	0.0036
006452053943	MUHAMMAD BILAL	009	22000	0.1596

FIRST PARAMOUNT MODARABA

Category of Shareholders

As On 30/06/2023

Folio No	Name	Code	Balance Held	Percentage
006452111345	ATEEB AHSAN ABBASI	009	95	0.0007
010231015215	MUHAMMAD AHTASHAM	009	2500	0.0181
010629022213	RAFIQUE SULEMAN	009	25035	0.1816
010629052731	BADAR UDDIN JATOI	009	486	0.0035
010629302847	ZUBAIR NASEER (06143)	009	11586	0.0840
010629310220	AMIN JIBRIL	009	28015	0.2032
00000001344	SUBLIME SPORTS (PVT) LTD.	010	151375	1.0978
00000008403	M/S. EASTERN COMMERCIAL CORPORATION (PVT.) LTD.	010	1321	0.0096
000009900008	FEDERAL BOARD OF REVENUE	010	27233	0.1975
003277078335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	010	4821	0.0350
003277082127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	010	167	0.0012
003525087235	MAPLE LEAF CAPITAL LIMITED	010	1	0.0000
004705087224	FEDERAL BOARD OF REVENUE	010	73975	0.5365
000009900005	FIRST NATIONAL MODARABA	011	502222	3.6423

Notice of Annual Review Meeting

Notice is hereby given to the certificate holders of First Paramount Modaraba that the Annual Review Meeting will be held on Friday, 27 October 2023 at 11:00 AM at PIMA House, Room No: 201, 2nd Floor, PECHS Community Hall, Block-2, PECHS, Shahrah-e-Quideen, Karachi, to review the performance of the Modaraba for the year ended 30 June 2023.

On behalf of the Board

Muhammad Ifham Khan

(Company Secretary)

Paramount Investments Limited

Managers of First Paramount Modaraba

05th October 2023

Karachi

Notes:

1. Closure of Certificate Transfer Books

The certificate transfer books will remain closed from 20th October 2023 to 27th October 2023 (both days inclusive). Transfers received in order at the office of the Registrar of First Paramount Modaraba (FPM) i.e. THK Associates (Pvt.) Ltd., before the close of business hours on Thursday 19 October 2023 will be treated as in time for the purpose of attending the Annual Review Meeting.

2. Change of Address

The Certificate holders are advised to notify change in their address, if any, to the Share Registrars, THK Associates (Pvt.) Ltd, at Plot No-32-C, Jami Commercial Street 2, DHA Phase VII Karachi – 75500, Telephone No: 021-111-000-322, Fax No: 021-35310191.

3. Participation in the meeting

To facilitate certificate holders, the Modaraba is holding this meeting physically and through video link as allowed/directed by the Securities and Exchange Commission of Pakistan. To attend the ARM through video link, the members and their proxies are requested to register themselves by providing the following information along with their Name, Folio Number, Cell No., and Number of Shares held in their name, a valid copy of CNIC (both sides)/ passport attested copy of board resolution / power of attorney (in case of corporate shareholders) through email with subject "Registration for FPM ARM" at ifham.khan@fpm.com.pk by October 13, 2023:

Name of Member/ proxy holders	CNIC No	Folio No./ Participant Id/ Account No.	Cell No./ WhatsApp No.	Email ID

The shareholders will be registered after the necessary verification and will be provided a video link by the Modaraba on the said email address. The login facility will remain open from start of the meeting till its proceedings are concluded.

A) For attending the Meeting Physically:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original CNIC or original passport at the time of attending the Meeting.
- ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the Meeting.

B) For appointing Proxies:

- i) In case of individuals, the account holder and / or sub-account holder and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

4. Availability of Audited Financial Statements on Modaraba's Website

In terms of Securities and Exchange Commission of Pakistan's (SECP) S.R.O. 634(I)/ 2014, the Annual Report for the year ended 30 June 2023 will also be placed on Modaraba's website simultaneously with the dispatch of the same to the Certificate holders.

5. Transmission of Annual Financial Statements through Email

As per the directives issued by the Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O.787(1)2014 dated 08 September 2014, companies are allowed the circulation of Audited Financial Statements along with Notice of Annual Review Meeting to their certificate holders through email. Certificate holders who wish to receive Modaraba's Annual Report via email in future are requested to fill the consent form (available at First Paramount Modaraba website) and return it to our Share Registrar at Plot No-32-C, Jami Commercial Street 2,DHA Phase VII Karachi – 75500, Telephone No: 021-111-000-322, Fax No: 021-35310191.

6. Unclaimed dividends

List of unclaimed dividends is available on Modaraba's website. Certificate holders, who by any reason, could not claim their dividends or do not collect their physical Modaraba certificate, are advised to contact our share Registrar THK Associates (Private) Limited, to collect/ enquires about their unclaimed dividend or pending Modaraba Certificates, if any. Please note that in compliance with section 244 of the Companies Act 2017, after having completed the stipulated procedures, all dividends unclaimed for a period of three years, from the date due and payable, shall be deposited to the credit of the Federal Government and in case of share/certificates, shall be delivered to the Securities & Exchange Commission of Pakistan.

DIVIDEND MANDATE FORM

Date:

hereby wish to communicate my desire to receive my dividends directly in my bank account as detailed below:

1. Name of shareholder/certificate holder: _____
2. Folio number: _____
3. Postal Address: _____
4. Contact number: _____
5. Name of Bank: _____
6. Bank Branch & full mailing address: _____
7. Title of Bank Account: _____
8. Bank Account No. (Complete with code): _____
9. IBAN Number (complete with code): _____
10. CNIC No. (Attach copy): _____
11. NTN (in case of corporate entity, attach copy): _____

It is stated that the above particulars given by me are correct to the best of my knowledge and shall keep the Company informed in case of any changes in the said particulars in future.

INDIVIDUAL CERTIFICATE HOLDER(S)

Signature

CNIC No. _____
(copy attached)

CORPORATE ENTITY

Authorized Signatory (ies)

NTN No. _____
(copy attached)

(In case Certificates held in CDC then please inform concerned Participant / CDC Investor Account Services).

FORM OF PROXY

ANNUAL REVIEW MEETING

I/We _____
of _____ CDC A/C No. Folio No. _____ being
a Certificate Holder of First Paramount Modaraba, do hereby appoint
Mr./Miss/Ms _____

_____ CDC A/C No. Folio No. _____
Who is / are also a Certificate Holder of the said Company, as my/ our proxy in my/ our absence and to
attend the Annual Review Meeting of the Company to be held on _____ at
PIMA House, 2nd Floor, Room No: 201, PECHS Community Centre, Block-2, PECHS, Shahrah-e-
Quideen, Karachi and at any adjournment thereof in the same manner as I/we myself/ourselves
would attend if personally present at such meeting.

As witness my/our hands in this day of _____.

Signature: _____

Address: _____

CNIC No.: _____
No. of Certificate(s) held: _____

Affix Revenue
Stamp of Rs. 5

(Note: signature should agree with the specimen Signature registered with the Company's Share Registrar).

Note:

No Proxy shall be valid unless duly signed along with revenue stamp and in case of company should be executed under its common seal under signed by its authorized person.








1. This instrument appointing a proxy, duly completed, must be received at the registered Office of the Modaraba at Suit No. 107-108, P.E.C.H.S. Community Office Complex, Block No. 2, P.E.C.H.S., Shahrah-e-Quaideen, Karachi not later than 48 hours before the time of holding the Annual Review Meeting.
2. Attested copies of the CNIC or the Passport of beneficial owners shall be furnished with the proxy form.
3. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
4. In case of corporate entity, the Board's Resolution and Power of attorney with specimen signature of the nominee shall be furnished along with proxy form to the company.



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Under Postal Certificate



AN ISLAMIC FINANCIAL INSTITUTION
**FIRST PARAMOUNT
MODARABA**
AMANAT • SHIRAKAT • BARKAT

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. Shakra-e-Quaideen, Karachi Ph: 34381037 - 38 - 52; Fax: 34534410,
Email:customersupport@fpm.com.pk, Web: www.fpm.com.pk