

# FIRST PARAMOUNT MODARABA

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

December 31, 2022



## Half Yearly REPORT



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



*First Paramount Modaraba*  
(An Islamic Financial Institution)

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## *Mission & Vision*

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



### **STATEMENT OF ETHICS AND BUSINESS PRACTICES**

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

**CORPORATE INFORMATION**  
**FIRST PARAMOUNT MODARABA**  
**MANAGED BY: PARAMOUNT INVESTMENTS LIMITED**

**BOARD OF DIRECTORS**

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

**AUDIT COMMITTEE**

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

**HUMAN RESOURCE COMMITTEE**

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

**CHIEF FINANCIAL OFFICER / COMPANY SECRETARY**

Mr. Muhammad Ifham Khan

**SHARIAH ADVISOR**

Mufti Muhammad Farhan Farooq

**SHARIAH CONSULTANT**

Mufti Muhammad Najeeb Khan

**CREDIT RATING**

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

Out Look **Stable**

**By VIS Credit Rating Company**

**AUDITORS OF THE MODARABA**

M/s Riaz Ahmed & Co  
 Chartered Accountants

**AUDITORS OF THE MODARABA MANAGEMENT COMPANY**

M/s Hafizullah & Co.  
 Chartered Accountants

**LEGAL ADVISOR**

M/s Raja Qasit Nawaz, Advocates

### **BANKERS**

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

### **REGISTERED OFFICE**

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

### **SHARE REGISTRAR**

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

### DIRECTOR'S REPORT TO THE CERTIFICATE-HOLDERS

The Directors of Paramount Investments Limited, the Management Company of First Paramount Modaraba, hereby present the unaudited financial statements for the half year ended 31<sup>st</sup> December 2022.

For the six months ended, Modaraba posted a net profit of PKR 2,666,288 as compared to a net profit of PKR 8,247,020 for the same period last year, a decrease of almost 68%. Primarily there are four contributing factors to the decline (a) higher cost of funds due to the higher interest rate regime adopted by the policymakers of the Country (b) the sluggish nature of the economy, which has made recoveries and investments a difficult task, (c) due to higher inflation the fixed costs of the modaraba has increased and (d) Last year Mod araba's in-house unit FPM Petro had performed exceptionally well during the corresponding period – dwarfing the current year's performance.

Cost of funds and inflation would likely to persist in higher trends for the remainder of the year, however, FPM Petro (an in-house Venture of FPM) would certainly contribute extraordinarily in the coming months.

Meanwhile, Modaraba has Alhumdulillah obtained approval from the Securities and Exchange Commission of Pakistan for amendments in the prospectus. The said amendments have now allowed Modaraba to undertake "Real estate" development & trading business under its umbrella. In the near future, Modaraba will announce its business plan for the same.

Our "AML/CFT Compliance Business" is at break-even now, Alhumdulillah. Significant positive developments are underway and in the last quarter of the financial year, Modaraba will materialize the premium of its investments in the venture.

Modaraba is fully committed to complying with the 'New Modaraba regulations', especially for the requirements relating to enhancement in Equity and Credit Rating.

#### **Acknowledgement:**

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

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

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

S/d

**Syed Wajih Hassan**  
(Chief Executive Officer)

Karachi.

Date: 24 February, 2023

**Riaz Ahmad & Company**  
Chartered Accountants

Office No. 5, 20<sup>th</sup> Floor  
Bahria Town Tower, Block 2  
P.E.C.H.S., Karachi, Pakistan  
T: +92 (21) 3431 08 26 - 7  
rscoakhi@racopk.com  
www.racopk.com

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

### **TO THE CERTIFICATE HOLDERS OF FIRST PARAMOUNT MODARABA**

#### **Report on Review of Condensed Interim Financial Statements**

##### ***Introduction***

We have reviewed the accompanying condensed interim balance sheet of FIRST PARAMOUNT MODARABA ("the Modaraba") as at 31 December 2022 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, and condensed interim statement of changes in equity, and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management of the Modaraba Management Company (Paramount Investments Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2022.

##### ***Scope of Review***

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

**Riaz Ahmad & Company**  
Chartered Accountants

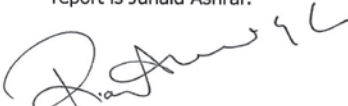
***Conclusion***

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

**Emphasis of Matter**

We draw attention to Note 12.1 to the accompanying condensed interim 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 period. Our conclusion is not modified in respect of this matter.

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



**RIAZ AHMAD & COMPANY**  
Chartered Accountants

**KARACHI**

**DATE: 01 March 2023**  
**UDIN: RR202210045LnuSsah7F**



**FIRST PARAMOUNT MODARABA  
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)  
AS AT 31 DECEMBER 2022**

|  | Note | Un-audited<br>31 December<br>2022<br>Rupees | Audited<br>30 June<br>2022<br>Rupees |
|--|------|---|--------------------------------------|
| <b>ASSETS</b>  |      |   |                                      |
| <b>NON-CURRENT ASSETS</b>  |      |   |                                      |
| Fixed assets   | 5    | 12,982,883                                  | 12,293,712                           |
| Murabaha financing - secured   | 6    | 39,375,026                                  | 63,815,311                           |
| Diminishing musharaka financing - secured  | 7    | 496,676                                     | -                                    |
| Musharaka financing - secured  | 8    | 12,000,000                                  | 12,000,000                           |
| Loans to employees   |      | 673,501                                     | 165,899                              |
| Long-term deposits   |      | 264,500                                     | 324,500                              |
|  |      | <b>65,792,586</b>                           | <b>88,599,422</b>                    |
| <b>CURRENT ASSETS</b>  |      |   |                                      |
| Stock in trade   |      | 40,321,734                                  | 8,680,320                            |
| Trade debtors - unsecured  | 9    | 74,617,171                                  | 67,736,511                           |
| Receivable from AL-BURQ Associates   | 10   | 3,821,554                                   | -                                    |
| Advances, prepayments and other receivables  |      | 54,856,250                                  | 30,489,742                           |
| Modaraba financing - secured and considered good   |      | 1,822,314                                   | 1,923,382                            |
| Short-term murabaha financing - secured  |      | 43,559,738                                  | 20,218,487                           |
| Current portion of murabaha financing  | 6    | 69,254,105                                  | 71,575,236                           |
| Current portion of diminishing musharaka financing   | 7    | 726,345                                     | 3,466,606                            |
| Current portion of musharaka financing   | 8    | 17,949,054                                  | 28,000,000                           |
| Current portion of loans to employees  |      | 214,000                                     | 839,600                              |
| Accrued profit   |      | 2,444,608                                   | 4,192,588                            |
| Tax refunds due from government  |      | 48,772,742                                  | 47,600,423                           |
| Cash and bank balances   | 11   | 32,391,998                                  | 78,990,927                           |
|  |      | <b>390,751,613</b>                          | <b>363,713,822</b>                   |
| Assets classified as held for sale   |      | -   | 14,162,256                           |
|  |      | <b>390,751,613</b>                          | <b>377,876,078</b>                   |
|  |      | <b>456,544,199</b>                          | <b>466,475,500</b>                   |
| <b>EQUITY AND LIABILITIES</b>  |      |   |                                      |
| <b>CERTIFICATE CAPITAL AND RESERVES</b>  |      |   |                                      |
| Authorized certificate capital<br>25,000,000 (June 2022: 25,000,000) certificates of Rupees 10 each (June 2022: 10 each) |      | 250,000,000                                 | 250,000,000                          |
| Issued, subscribed and paid-up certificate capital   |      | 137,884,193                                 | 137,884,193                          |
| Capital reserves   |      | 57,301,873                                  | 54,635,585                           |
| Revenue reserves   |      | 22,392,468                                  | 22,392,468                           |
|  |      | <b>217,578,534</b>                          | <b>214,912,246</b>                   |
| <b>LIABILITIES</b>   |      |   |                                      |
| <b>NON-CURRENT LIABILITIES</b>   |      |   |                                      |
| Deferred income  |      | 7,304,346                                   | 13,933,772                           |
| Certificates of musharaka  | 12   | 118,650,000                                 | 131,615,000                          |
|  |      | <b>125,954,346</b>                          | <b>145,548,772</b>                   |
| <b>CURRENT LIABILITIES</b>   |      |   |                                      |
| Creditors, accrued and other liabilities   |      | 17,692,616                                  | 14,141,880                           |
| Current portion of deferred income   |      | 11,231,663                                  | 10,653,277                           |
| Current portion of certificates of musharaka   | 12   | 59,825,000                                  | 45,885,000                           |
| Accrued profit on certificates of musharaka  | 13   | 2,245,186                                   | 2,198,270                            |
| Unclaimed profit distributions   |      | 20,726,925                                  | 21,135,469                           |
| Provision for taxation   |      | 1,289,929                                   | 5,151,884                            |
|  |      | <b>113,011,319</b>                          | <b>99,165,780</b>                    |
| Liabilities associated with assets classified as held for sale   |      | -   | 6,848,702                            |
|  |      | <b>113,011,319</b>                          | <b>106,014,482</b>                   |
|  |      | <b>456,544,199</b>                          | <b>466,475,500</b>                   |
| <b>CONTINGENCIES AND COMMITMENTS</b>   |      |   |                                      |
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The annexed notes from 01 to 22 form an integral part of this condensed interim financial information

**For Paramount Investments Limited  
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

Director

**FIRST PARAMOUNT MODARABA  
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2022**

|   | Note | Six-Months Period Ended<br>31 December |                  | Three-Months Period Ended<br>31 December |                  |
|---|------|--|------------------|--|------------------|
|   |      | 2022<br>Rupees                         | 2021<br>Rupees   | 2022<br>Rupees                           | 2021<br>Rupees   |
| <b>Continued operations</b>   |      |  |                  |  |                  |
| Operating income  | 15   | <b>106,918,932</b>                     | 206,236,437      | <b>56,213,655</b>                        | 78,132,427       |
| Operating costs   |      |  |                  |  |                  |
| Operating expenses  |      | <b>(96,764,055)</b>                    | (186,880,878)    | <b>(51,256,599)</b>                      | (70,942,664)     |
| Reversal of provision against<br>doubtful recoveries of murabaha<br>financing |      | <b>37,066</b>                          | -                | <b>37,066</b>                            | -                |
|   |      | <b>(96,726,989)</b>                    | (186,880,878)    | <b>(51,219,533)</b>                      | (70,942,664)     |
|   |      | <b>10,191,943</b>                      | 19,355,559       | <b>4,994,122</b>                         | 7,189,763        |
| Other income  |      | <b>2,860,515</b>                       | 522,147          | <b>1,352,767</b>                         | 159,914          |
|   |      | <b>13,052,458</b>                      | 19,877,706       | <b>6,346,889</b>                         | 7,349,677        |
| Financial charges   |      | <b>(8,566,951)</b>                     | (6,403,392)      | <b>(4,093,961)</b>                       | (3,444,089)      |
|   |      | <b>4,485,507</b>                       | 13,474,314       | <b>2,252,928</b>                         | 3,905,588        |
| Modaraba Company's management<br>fee  |      | <b>(448,551)</b>                       | (1,347,431)      | <b>(225,293)</b>                         | (390,558)        |
|   |      | <b>4,036,956</b>                       | 12,126,883       | <b>2,027,635</b>                         | 3,515,030        |
| Provision for Sindh Workers'<br>Welfare Fund                                  |      | <b>(80,739)</b>                        | (242,538)        | <b>(40,553)</b>                          | (70,301)         |
| <b>Profit before tax from<br/>continuing operations</b>                       |      | <b>3,956,217</b>                       | 11,884,345       | <b>1,987,082</b>                         | 3,444,729        |
| Taxation  | 16   | <b>(1,289,929)</b>                     | (3,637,325)      | <b>(718,880)</b>                         | (1,189,827)      |
| <b>Profit after tax from<br/>continuing operations</b>                        |      | <b>2,666,288</b>                       | 8,247,020        | <b>1,268,202</b>                         | 2,254,902        |
| <b>Profit for the year</b>  |      | <b>2,666,288</b>                       | <b>8,247,020</b> | <b>1,268,202</b>                         | <b>2,254,902</b> |
| <b>Earnings per certificate</b>   |      |  |                  |  |                  |
| From continuing operations  | 17   | <b>0.19</b>                            | 0.60             | <b>0.09</b>                              | 0.16             |

The annexed notes from 01 to 22 form an integral part of this condensed interim financial information

**For Paramount Investments Limited  
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

Director

**FIRST PARAMOUNT MODARABA  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2022**

|  | Six-Months Period Ended<br>31 December |                  | Three-Months Period Ended<br>31 December |                  |
|--|--|------------------|--|------------------|
|  | 2022<br>Rupees                         | 2021<br>Rupees   | 2022<br>Rupees                           | 2021<br>Rupees   |
| Profit after tax from continuing operations                            | <b>2,666,288</b>                       | 8,247,020        | <b>1,268,202</b>                         | 2,254,902        |
| <b>Other comprehensive income</b>                                      |  |                  |  |                  |
| Items that will not be reclassified to profit and loss account         | -                                      | -                | -  | -                |
| Items that may be reclassified subsequently to profit and loss account | -                                      | -                | -  | -                |
| <b>Total comprehensive income for the period</b>                       | <b><u>2,666,288</u></b>                | <u>8,247,020</u> | <b><u>1,268,202</u></b>                  | <u>2,254,902</u> |

The annexed notes from 01 to 22 form an integral part of this condensed interim financial information

**For Paramount Investments Limited  
(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Office

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**FIRST PARAMOUNT MODARABA  
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2022**

|   | Six-Months Period Ended<br>31 December |                     |
|---|--|---------------------|
|   | 2022<br>Rupees                         | 2021<br>Rupees      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |  |                     |
| Profit before tax from continuing operations                | 3,956,217                              | 11,884,345          |
| <b>Adjustments for non-cash items:</b>                      |  |                     |
| Depreciation  | 1,181,768                              | 447,330             |
| Amortization  | 63,037                                 | 90,054              |
| Loss / (gain) on disposal                                   | 9,078                                  | (585)               |
| Provision for Sindh Worker's Welfare Fund                   | 80,739                                 | 242,538             |
| Financial charges   | 8,566,951                              | 6,403,392           |
| (Reversal) / provision of against doubtful debts            | (37,066)                               | 250,012             |
| Deposit set-off against liability                           | 60,000                                 | -                   |
| <b>Operating profit before working capital changes</b>      | <b>13,880,724</b>                      | <b>19,317,086</b>   |
| <b>(Increase) / decrease in current assets</b>              |  |                     |
| Murabaha financing - net                                    | 3,457,231                              | 9,411,792           |
| Diminishing Musharaka financing - net                       | 2,243,585                              | 8,015,934           |
| Musharaka financing - net                                   | 10,050,946                             | (900,000)           |
| Modaraba financing - net                                    | 101,068                                | 6,974,840           |
| Stores and spares   | (31,641,414)                           | (7,613,389)         |
| Trade debts   | (6,880,660)                            | (47,010,180)        |
| Loans to employees  | 117,998                                | 385,000             |
| Advances, prepayments and other receivables                 | (24,366,508)                           | (1,972,228)         |
| Receivable from Al-burq associates                          | 3,492,000                              | -                   |
| Accrued profit  | 1,747,980                              | 877,655             |
| <b>(Decrease) / Increase in current liabilities</b>         |  |                     |
| Deferred income   | (6,051,040)                            | (2,431,119)         |
| Creditors, accrued and other liabilities                    | 3,469,997                              | (3,169,189)         |
| <b>Net cash used in operations</b>                          | <b>(30,378,093)</b>                    | <b>(18,113,798)</b> |
| Bank charges paid   | (32,847)                               | (44,469)            |
| Taxes paid  | (6,324,203)                            | (9,371,442)         |
| <b>Net cash used in operating activities</b>                | <b>(36,735,143)</b>                    | <b>(27,529,709)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |  |                     |
| Additions of fixed assets                                   | (1,993,054)                            | (116,000)           |
| Disposal in fixed assets                                    | 50,000                                 | 11,000              |
| <b>Net cash used in investing activities</b>                | <b>(1,943,054)</b>                     | <b>(105,000)</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |  |                     |
| Certificate of musharaka - issuance                         | 15,600,000                             | 14,890,000          |
| Certificate of musharaka - redemptions                      | (14,625,000)                           | (14,525,000)        |
| Profit paid to certificates of Mushraka (COM) holder        | (8,487,188)                            | (6,079,303)         |
| Profit distribution to certificate holders                  | (408,544)                              | (4,569,212)         |
| <b>Net cash used in financing activities</b>                | <b>(7,920,732)</b>                     | <b>(10,283,515)</b> |
| <b>Net decrease in cash and cash equivalents</b>            | <b>(46,598,929)</b>                    | <b>(37,918,224)</b> |
| <b>Cash and cash equivalents at beginning of the period</b> | <b>78,990,927</b>                      | <b>95,126,239</b>   |
| <b>Cash and cash equivalents at end of the period</b>       | <b>32,391,998</b>                      | <b>57,208,015</b>   |

The annexed notes from 01 to 22 form an integral part of this condensed interim financial information

For Paramount Investments Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

# First Paramount Modaraba

(An Islamic Financial Institution)



## FIRST PARAMOUNT MODARABA CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2022

|   | Reserves   |                |                   |            | Revenue     | Total       |
|---|--|----------------|-------------------|------------|-------------|-------------|
|   | Issued, subscribed and paid up certificate capital | Merger reserve | Statutory reserve | Total      |             |             |
|   | Rupees   | Rupees         | Rupees            | Rupees     | Rupees      | Rupees      |
| <b>Balance as at 30 June 2021 (Audited)</b>                                       | 137,884,193  | 1,935,160      | 50,709,070        | 52,644,230 | 20,631,836  | 211,160,259 |
| <b>Transaction with owners:</b>   |  |                |                   |            |             |             |
| Profit distribution for the year ended 30 June 2021 @ Rupees 0.45 per certificate | -  | -              | -                 | -          | (6,204,790) | (6,204,790) |
| Profit after taxation   | -  | -              | -                 | -          | 8,247,020   | 8,247,020   |
| Other comprehensive income  | -  | -              | -                 | -          | -           | -           |
| Transferred to statutory reserve @ 20%  | -  | -              | 1,649,404         | 1,649,404  | (1,649,404) | 8,247,020   |
| <b>Balance as at 31 December 2021 (Un-audited)</b>                                | 137,884,193  | 1,935,160      | 52,358,474        | 54,293,654 | 21,024,662  | 213,202,489 |
| <b>Total comprehensive income:</b>  |  |                |                   |            |             |             |
| Profit after taxation   | -  | -              | -                 | -          | 1,709,757   | 1,709,757   |
| Other comprehensive income  | -  | -              | -                 | -          | (341,951)   | 1,709,757   |
| Transferred to statutory reserve @ 20%  | -  | -              | 341,951           | 341,951    | -           | 1,709,757   |
| <b>Balance as at 30 June 2022 (Audited)</b>                                       | 137,884,193  | 1,935,160      | 52,700,425        | 54,635,585 | 22,392,468  | 214,912,246 |
| <b>Total comprehensive income:</b>  |  |                |                   |            |             |             |
| Profit after taxation   | -  | -              | -                 | -          | 2,666,288   | 2,666,288   |
| Other comprehensive income  | -  | -              | -                 | -          | (2,666,288) | 2,666,288   |
| Transferred to statutory reserve @ 100%   | -  | -              | -                 | -          | -           | -           |
| <b>Balance as at 31 December 2022 (Un-audited)</b>                                | 137,884,193  | 1,935,160      | 55,366,713        | 57,301,873 | 22,392,468  | 217,578,534 |

The annexed notes from 01 to 22 form an integral part of this condensed interim financial information

For Paramount Investments Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

**FIRST PARAMOUNT MODARABA  
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2022**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 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, Shahrāh-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** This condensed interim financial information of the Modaraba have been prepared in accordance with:

- International Accounting Standard 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB);
- The requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulation 2021;
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP) ; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

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

- 2.2** This condensed interim financial information are un-audited. However, limited scope review has been performed by the statutory auditors in accordance with the requirements under Section 237(1) of Companies Act, 2017 and is being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981.
- 2.3** This condensed interim financial information has been prepared under the historical cost convention.
- 2.4** This condensed interim financial information is prepared in Pakistani Rupees which is the Modaraba's functional and presentation currency and figures presented in this condensed interim financial information have been rounded off to the nearest rupee.
- 2.5** This condensed interim financial information do not include all the information and disclosures required in the annual financial statement, and should be read in conjunction with the annual financial statement of the Modaraba for the year ended 30 June 2022. The comparative balance sheet presented has been extracted from annual financial statement for the year ended 30 June 2022, whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from the un-audited condensed interim financial information for the six-months period ended 31 December 2022.

### **3. ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

The accounting policies, estimates, judgments and methods of computation followed in the preparation of this condensed interim financial information are the same as those applied in the preparation of the published annual financial information for the year ended 30 June 2022 except for the followings:

#### **3.1 Statutory Reserve**

As per Regulation 13, of the Prudential Regulations for Modarabas issued by SECP, vide S.R.O 1547(I)/2022 dated August 15, 2022 requires a Modaraba which is not compliant with minimum equity requirement to transfer 100% of its after tax profits to reserve fund till such time the minimum equity requirement are complied with. The Modaraba transfers 100% of its after tax profits to statutory reserve. In the preceding year/period Modaraba was transferring 20% of its after tax profits to statutory reserve.

### **4. FINANCIAL RISK MANAGEMENT**

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

The condensed interim financial information do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Modaraba's audited annual financial statements for the year ended 30 June 2022.

|   |             | <b>Un-audited<br/>31 December<br/>2022<br/>Rupees</b> | <b>Audited<br/>30 June<br/>2022<br/>Rupees</b> |
|---|-------------|---|--|
| <b>5. FIXED ASSETS</b>  | <b>Note</b> |   |  |
| Tangible assets   | 5.1         | <b>12,625,669</b>                                     | 11,873,461                                     |
| Intangible assets   | 5.2         | <b>357,214</b>  | 420,251  |
|   |             | <b><u>12,982,883</u></b>                              | <b><u>12,293,712</u></b>                       |
| <b>5.1 Tangible assets</b>  |             |   |  |
| Opening net book value  |             | <b>11,873,461</b>                                     | 16,595,657                                     |
| Additions during the period / year  |             | <b>1,993,054</b>                                      | 8,344,095                                      |
| Disposal during the period / year   |             | <b>(59,078)</b>                                       | (787,345)                                      |
| Non current asset classified as held for sale   | 11          | -   | (11,122,105)                                   |
| Depreciation charged during the period / year   |             | <b>(1,181,768)</b>                                    | (1,156,841)                                    |
| Closing net book value  |             | <b><u>12,625,669</u></b>                              | <b><u>11,873,461</u></b>                       |
| <b>5.2 Intangible assets</b>  |             |   |  |
| Opening net book value  |             | <b>420,251</b>  | 600,358  |
| Amortization charged during the period / year   |             | <b>(63,037)</b>                                       | (180,107)                                      |
| Closing net book value  |             | <b><u>357,214</u></b>                                 | <b><u>420,251</u></b>                          |
| <b>6. MURABAHA FINANCING - SECURED</b>  |             |   |  |
| Considered good   |             | <b>108,629,131</b>                                    | 135,390,547                                    |
| Considered doubtful   | 6.1         | <b>2,469,919</b>                                      | 2,506,985                                      |
|   | 6.2         | <b>111,099,050</b>                                    | 137,897,532                                    |
| Allowance for expected credit losses  |             | <b>(2,469,919)</b>                                    | (2,506,985)                                    |
|   |             | <b>108,629,131</b>                                    | 135,390,547                                    |
| Current portion of murabaha financing   | 6.3         | <b>(69,254,105)</b>                                   | (71,575,236)                                   |
|   |             | <b><u>39,375,026</u></b>                              | <b><u>63,815,311</u></b>                       |
| <b>6.1 Movement in allowance for expected credit losses</b>   |             |   |  |
| Opening balance   |             | <b>2,506,985</b>                                      | 2,562,883                                      |
| Charge for the period / year  |             | -   | -  |
| Reversal made during the period / year  |             | <b>(37,066)</b>                                       | (55,898)                                       |
| Closing balance   |             | <b><u>2,469,919</u></b>                               | <b><u>2,506,985</u></b>                        |
| <b>6.2</b>  |             |   |  |
| The Modaraba has sold goods under Murabaha arrangements whereby payment is deferred alongwith 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 587.443 million (30 June 2022: Rupees 590.437 million) in aggregate. |             |   |  |

These facilities have various maturity dates up to 14 January 2026. Effective profit rate on these arrangements ranges from 9% to 23% (30 June 2022: 9% to 21%).



**6.3 Contractual receivables from murabaha financing facilities:**

| <b>31 December 2022 - Un-audited</b>     | <b>Principal<br/>Rupees</b> | <b>Profit<br/>Rupees</b> | <b>Total<br/>Rupees</b> |
|--|-----------------------------|--------------------------|-------------------------|
| Due within one year / overdue            | <b>58,748,787</b>           | <b>10,505,318</b>        | <b>69,254,105</b>       |
| Due after one year but within five years | <b>33,583,972</b>           | <b>8,260,973</b>         | <b>41,844,945</b>       |
| Due after five years                     | -                           | -                        | -                       |
|  | <b>92,332,759</b>           | <b>18,766,291</b>        | <b>111,099,050</b>      |

| <b>30 June 2022 - Audited</b>            | <b>Principal<br/>Rupees</b> | <b>Profit<br/>Rupees</b> | <b>Total<br/>Rupees</b> |
|--|-----------------------------|--------------------------|-------------------------|
| Due within one year / overdue            | 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                     | -                           | -                        | -                       |
|  | <b>110,911,289</b>          | <b>26,986,243</b>        | <b>137,897,532</b>      |

|   | <b>Note</b> | <b>Un-audited<br/>31 December<br/>2022<br/>Rupees</b> | <b>Audited<br/>30 June<br/>2022<br/>Rupees</b> |
|---|-------------|---|--|
| <b>7. DIMINISHING MUSHARAKA FINANCING - SECURED</b> |             |   |  |
| Considered good                                     |             | <b>1,223,021</b>                                      | 3,466,606                                      |
| Current portion of diminishing musharaka financing  | 7.1 & 7.2   | <b>(726,345)</b>                                      | (3,466,606)                                    |
|   |             | <b>496,676</b>  | -  |

**7.1** This represents financing provided to individuals under diminishing musharaka arrangement for purchase of vehicles and buildings. The effective profit rates on these arrangements ranges from 16% to 23% (30 June 2022: 16% to 20%) per annum and this is repayable on monthly basis over a maximum period of 5 years. These facilities have various maturity dates up to 28 October 2025. The financing is secured by mortgage of properties, hypothecation and personal guarantee of the borrower. The combined forced sales value (FSV) of the underlying assets as security amounts to Rupees 48.168 million (30 June 2022: Rupees 42.318 million) in aggregate.

**7.2 Contractual rentals receivable from diminishing musharaka financing facilities:**

|  |                  |                  |
|--|------------------|------------------|
| Due within one year                      | <b>726,345</b>   | <b>3,466,606</b> |
| Due after one year but within five years | <b>496,676</b>   | -                |
| Due after five years                     | -                | -                |
|  | <b>1,223,021</b> | <b>3,466,606</b> |

**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.

|  |  | Un-audited<br>31 December<br>2022<br>Rupees | Audited<br>30 June<br>2022<br>Rupees |
|--|--|---|--------------------------------------|
| <b>8. MUSHARAKA FINANCING - SECURED</b>      | <b>Note</b>  |   |                                      |
| <b>Musharaka agreements for:</b>             |  |   |                                      |
| Food products                                |  | 12,000,000                                  | 12,000,000                           |
| Books printing - I                           |  | -   | 8,000,000                            |
| Books printing - II                          |  | 15,449,054                                  | 20,000,000                           |
| HCS Consulting Musharaka                     | 8.1  | <u>2,500,000</u>                            | -                                    |
|  |  | 29,949,054                                  | 40,000,000                           |
| Less: Current portion of musharaka financing | 8.3  | <u>(17,949,054)</u>                         | <u>(28,000,000)</u>                  |
|  |  | <u><b>12,000,000</b></u>                    | <u><b>12,000,000</b></u>             |
| <b>8.1</b>                                   | During the period, the Modaraba signed a musharaka arrangement amounting to Rupees 2.5 million for a project related to Microsoft Sharepoint. The profit on the investment is shared between Modaraba and the musharaka partner in the ratio of 60:40. The financing is secured by way of mortgage of moveable property. |   |                                      |
| <b>8.2</b>                                   | The combined forced sales value (FSV) of the underlying assets as security amounts to Rupees 52.564 million (30 June 2022: Rupees 50.2 million) in aggregate.  |   |                                      |
| <b>8.3</b>                                   | <b>Contractual receivable on Musharaka financing facilities:</b>   |   |                                      |
| Due within one year                          |  | 17,949,054                                  | 28,000,000                           |
| Due after one year but within five years     |  | 12,000,000                                  | 12,000,000                           |
| Due after five years                         |  | -   | -                                    |
|  |  | <u><b>29,949,054</b></u>                    | <u><b>40,000,000</b></u>             |
| <b>9. TRADE DEBTORS - unsecured</b>          |  |   |                                      |
| Considered good                              |  | 74,617,171                                  | 67,736,511                           |
| Considered doubtful                          |  | 4,331,674                                   | 4,331,674                            |
|  |  | <u><b>78,948,845</b></u>                    | <u>72,068,185</u>                    |
| Allowance for expected credit losses         | 9.1  | <u>(4,331,674)</u>                          | <u>(4,331,674)</u>                   |
|  |  | <u><b>74,617,171</b></u>                    | <u><b>67,736,511</b></u>             |
| <b>9.1</b>                                   | <b>Movement in allowance for expected credit losses:</b>   |   |                                      |
| Opening balance                              |  | 4,331,674                                   | 3,289,466                            |
| Charge for the period / year                 |  | -   | 1,042,208                            |
| Closing balance                              |  | <u><b>4,331,674</b></u>                     | <u><b>4,331,674</b></u>              |
| <b>10</b>                                    | <b>Receivable from AL-BURQ Associates</b>  |   |                                      |
|  | This represents the balance receivable from Al-Burq Associates from the expiry and surrender of the Modaraba's share of investment in Advance Trading Corporation (ATC).   |   |                                      |
| <b>11. CASH AND BANK BALANCES</b>            |  |   |                                      |
| Cash in hand                                 |  | 80,202                                      | 124,998                              |
| Cash at banks                                |  |   |                                      |
| - Current accounts                           |  | 11,979,029                                  | 18,347,482                           |
| - Deposit accounts                           | 11.1 & 11.2  | <u>20,332,767</u>                           | <u>60,518,447</u>                    |
|  |  | <u><b>32,391,998</b></u>                    | <u><b>78,990,927</b></u>             |

- 11.1** This includes Rupees 12.139 million (30 June 2022: Rupees 26.111 million) in respect of Redemption Reserve Fund established on account of certificates of musharaka.
- 11.2** Effective profit rate in respect of deposit accounts ranges from 6.75% to 7.57% (30 June 2022: 2.33% to 6.50%) per annum.

|  | Note | Un-audited<br>31 December<br>2022<br>Rupees | Audited<br>30 June<br>2022<br>Rupees |
|--|------|---|--------------------------------------|
| <b>12. CERTIFICATES OF MUSHARAKA</b>               |      |   |                                      |
| Opening balance                                    |      | <b>177,500,000</b>                          | 177,545,000                          |
| Issued during the period / year                    |      | <b>15,600,000</b>                           | 29,040,000                           |
| Redemption made during the period / year           |      | <b>(14,625,000)</b>                         | (29,085,000)                         |
|  |      | <b>178,475,000</b>                          | 177,500,000                          |
| Less: Current portion of certificates of musharaka |      | <b>(59,825,000)</b>                         | (45,885,000)                         |
|  |      | <b>118,650,000</b>                          | 131,615,000                          |

- 12.1** As per Prudential Regulations for Modarabas issued by the SECP vide S.R.O. 284(1)/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. The Modaraba is non-compliant with certain conditions laid down in Regulation 19 even after expiry of extended period of one year. During the period on 15 August 2022, SECP vide SRO 1547(1)/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).
- 12.2** A Redemption Reserve Fund is established on account of Certificate of Musharaka. These certificates have different denominations and are repayable within three months to five years. The expected share of profit on these certificates ranges from 8.5% to 11% (30 June 2022: 8.5% to 11%) per annum (refer Note 10.1).

**13. ACCRUED PROFIT ON CERTIFICATES OF MUSHARIKA**

|                              |                    |              |
|------------------------------|--------------------|--------------|
| Opening balance              | <b>2,198,270</b>   | 1,679,198    |
| Add: accrued during the year | <b>8,534,104</b>   | 14,095,689   |
| Less: paid during the year   | <b>(8,487,188)</b> | (13,576,617) |
| Closing balance              | <b>2,245,186</b>   | 2,198,270    |

**14. CONTINGENCIES AND COMMITMENTS**

**a) Contingencies**

- 14.1** There has been no significant change in the status of contingencies as disclosed in the annual financial information of the Modaraba for the year ended 30 June 2022 .

**b) Commitments**

There were no commitments outstanding as at reporting date. (30 June 2022: Nil)

|  | Note  | Un-audited          | Un-audited          | Un-audited          | Un-audited          |
|--|---|---------------------|---------------------|---------------------|---------------------|
|  |   | 31 December<br>2022 | 31 December<br>2021 | 31 December<br>2022 | 31 December<br>2021 |
|  |   | Rupees              | Rupees              | Rupees              | Rupees              |
| <b>15. OPERATING INCOME</b>  |   |                     |                     |                     |                     |
| Profit on:   |   |                     |                     |                     |                     |
| - murabaha financing   |   | <b>11,407,177</b>   | 10,377,462          | <b>6,419,418</b>    | 4,947,053           |
| - diminishing musharaka financing                                  |   | <b>186,414</b>      | 776,463             | <b>82,477</b>       | 301,647             |
| - musharaka financing  |   | <b>1,132,138</b>    | 1,032,000           | <b>682,138</b>      | 582,000             |
| Income from:   |   |                     |                     |                     |                     |
| - FPM Solution   | 15.1  | <b>7,308,098</b>    | 3,015,530           | <b>2,677,056</b>    | 1,836,505           |
| - FPM Petro  | 15.2  | <b>86,885,105</b>   | 191,034,982         | <b>46,352,566</b>   | 70,465,222          |
|  |   | <b>106,918,932</b>  | 206,236,437         | <b>56,213,655</b>   | 78,132,427          |
| <b>15.1</b>  | This represents income generated from project power solutions business (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.   |                     |                     |                     |                     |
| <b>15.2</b>  | This represents income generated from chemical business of FPM Petro Services.  |                     |                     |                     |                     |
| <b>16. TAXATION</b>  |   |                     |                     |                     |                     |
| Current  |   |                     | 16.1                | <b>1,337,112</b>    | 3,637,325           |
| Prior  |   |                     |                     | <b>(47,183)</b>     | -                   |
| Deferred   |   |                     | 16.2                | <b>-</b>            | -                   |
|  |   |                     |                     | <b>1,289,929</b>    | 3,637,325           |
| <b>16.1</b>  | The charge for current taxation is based on minimum tax payable on turnover at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available if any. The relationship between tax expense and accounting profit has not been presented in these financial statements as taxable income and tax liability are based on minimum tax payable on turnover for the year. |                     |                     |                     |                     |
| <b>16.2</b>  | Deferred tax asset as at 31 December 2022 to the extent of Rupees 1.599 million (30 June 2022: Rupees 0.542 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.   |                     |                     |                     |                     |
| <b>17. EARNINGS PER CERTIFICATE</b>                                |   |                     |                     |                     |                     |
| Profit for the period attributable to certificate holders - Rupees |   | <b>2,666,288</b>    | 8,247,020           | <b>1,268,202</b>    | 2,254,902           |
| Weighted average number of certificates -                          |   | <b>13,788,420</b>   | 13,788,420          | <b>13,788,420</b>   | 13,788,420          |
| Earnings per certificate - Rupees                                  |   | <b>0.19</b>         | 0.60                | <b>0.09</b>         | 0.16                |
| <b>17.1</b>  | There is no dilutive effect on the basic earnings per certificate of the Modaraba, since there are no convertible instruments in issue as at 31 December 2022 and 31 December 2021 which would have any effect on the earnings per certificate if the option to convert is exercised.   |                     |                     |                     |                     |

**18. TRANSACTIONS WITH RELATED PARTIES**

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

|   |                                |   |  | Un-audited<br>Six-months period ended       | Un-audited<br>31 December<br>2021    |
|---|--------------------------------|---|--|---|--------------------------------------|
|   |                                |   |  | 31 December<br>2022                         | 31 December<br>2021                  |
| <b>a) Transactions during the period</b>  |                                |   |  |   |                                      |
| Relationship with<br>the Modaraba         | Name of related party          | Basis of relationship                                     | Nature of transactions                     | Rupees                                      | Rupees                               |
| i.  | Management Company Limited     | Investments 14.26% certificate holding                    | Management fee<br>Expense allocated        | 448,551                                     | 1,347,431                            |
|   |                                |   |  | -   | 158,276                              |
|   |                                |   |  | <b>1,422,071</b>                            | <b>2,231,061</b>                     |
|   |                                |   | Payments made during the period            |   |                                      |
|   |                                |   | Profit distributed                         | -   | 884,596                              |
|   |                                |   | Rent paid                                  | 466,878                                     | 424,434                              |
|   |                                |   | Profit distribution                        | -   | 383,977                              |
| ii.                                       | Directors                      | -   | Contribution to the Fund                   | 299,878                                     | 241,498                              |
|   |                                |   | Profit paid on certificates of musharaka   | 71,419                                      | 50,750                               |
| iii.                                      | Staff retirement funds         | Paramount Investments Limited - Employees' Provident Fund | Funded provident fund scheme               |   |                                      |
| <b>b) Balances receivable / (payable)</b> |                                |   |  |   |                                      |
| Relationship with<br>the Modaraba         | Name of related party          | Basis of relationship                                     | Nature of balances                         | Un-audited<br>31 December<br>2022<br>Rupees | Audited<br>30 June<br>2022<br>Rupees |
| i.  | Management Company Limited     | Paramount Investments 14.26% certificate holding          | Other receivables                          | 6,323,355                                   | 5,408,150                            |
| ii.                                       | Directors                      | -   | Security deposit                           | 217,800                                     | 217,800                              |
| iii.                                      | Staff retirement benefit funds | Paramount Investment Limited - Employees' Provident Fund  | Funded provident fund scheme               | (1,400,000)                                 | (1,400,000)                          |
|   |                                |   | Certificates of musharaka                  | (2,323)                                     | (3,071)                              |
|   |                                |   | Audited profit on certificate of musharaka |   |                                      |

**19. INFORMATION ABOUT BUSINESS SEGMENTS**

Information regarding the Modaraba's reportable segments are presented below:

**a) Segment assets and liabilities**

| As at 31 December 2022 (Un-audited) |                      |                     |                     |                 |                      |
|-------------------------------------|----------------------|---------------------|---------------------|-----------------|----------------------|
|                                     | Financing            | FPM Solutions       | FPM Petro Services  | Others          | Total                |
| Segment assets                      | Rupees               | Rupees              | Rupees              | Rupees          | Rupees               |
|                                     | <b>291,386,503</b>   | <b>9,976,952</b>    | <b>154,899,961</b>  | <b>280,783</b>  | <b>456,544,199</b>   |
| Segment liabilities                 | Rupees               | Rupees              | Rupees              | Rupees          | Rupees               |
|                                     | <b>(166,475,436)</b> | <b>(16,219,599)</b> | <b>(56,202,940)</b> | <b>(67,690)</b> | <b>(238,965,665)</b> |

**As at 30 June 2022 (Audited)**

|                     | Financing     | FPM Solutions | FPM Petro Services | Others      | Total         |
|---------------------|---------------|---------------|--------------------|-------------|---------------|
| Segment assets      | Rupees        | Rupees        | Rupees             | Rupees      | Rupees        |
|                     | 338,378,949   | 15,282,586    | 98,388,400         | 14,425,565  | 466,475,500   |
| Segment liabilities | Rupees        | Rupees        | Rupees             | Rupees      | Rupees        |
|                     | (213,071,338) | (22,462,609)  | (9,113,354)        | (6,915,953) | (251,563,254) |

**b) Segment results**

| For the six-months period ended 31 December 2022 (Un-audited) |                    |                  |                    |               |                    |
|---|--------------------|------------------|--------------------|---------------|--------------------|
|   | Financing          | FPM Solutions    | FPM Petro Services | Others        | Total              |
| Revenue   | Rupees             | Rupees           | Rupees             | Rupees        | Rupees             |
|   | <b>12,725,729</b>  | <b>7,308,098</b> | <b>86,885,105</b>  | <b>-</b>      | <b>106,918,932</b> |
| Profit / (loss) before tax                                    | Rupees             | Rupees           | Rupees             | Rupees        | Rupees             |
|   | <b>(6,421,744)</b> | <b>940,076</b>   | <b>9,421,249</b>   | <b>16,636</b> | <b>3,956,217</b>   |

| For the six-months period ended 31 December 2021 (Un-audited) |             |               |                    |          |             |
|---|-------------|---------------|--------------------|----------|-------------|
|   | Financing   | FPM Solutions | FPM Petro Services | Others   | Total       |
| Revenue   | Rupees      | Rupees        | Rupees             | Rupees   | Rupees      |
|   | 12,185,925  | 3,015,530     | 191,034,982        | -        | 206,236,437 |
| Profit / (loss) before tax                                    | Rupees      | Rupees        | Rupees             | Rupees   | Rupees      |
|   | (6,218,031) | 314,730       | 17,805,970         | (18,324) | 11,884,345  |

**20. CAPITAL RISK MANAGEMENT**

The Modaraba's objective when managing capital is to safe guard its ability to continue as a going concern so that it can continue to provide returns for certificate holders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

The Modaraba manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of profit distribution to certificate holders.

**21. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information were authorized for issue on \_\_\_\_\_ by the Board of Directors of the Modaraba's Management Company.

**22. GENERAL**

**22.1** No significant reclassification or rearrangement of the corresponding figures has been made during the period in this condensed interim financial information.

**22.2** Figures have been rounded off to the nearest Rupee unless otherwise stated.

**For Paramount Investments Limited  
(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director








\_\_\_\_\_  
Director










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