

FIRST PARAMOUNT MODARABA

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

March 31, 2023

QUARTERLY 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 Frist 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



First Paramount Modaraba
(An Islamic Financial Institution)

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.
Plot no. 32-C, Jami Commercial
Street 2, D.H.A Phase VII,
Karachi, 75500 Pakistan
Tel: 111-000-322 Fax: 34168271
Web: www.thk.com.pk
Email: sfc@thk.com.pk

DIRECTORS REPORT TO THE CERTIFICATE-HOLDERS

The Directors of Paramount Investments Limited, the Management Company of First Paramount Modaraba, are pleased to present the unaudited financial statements for the nine months period that ended on March 31, 2023.

The Economy of Pakistan in general, has posed significant challenges for businesses. Higher inflationary trends, restrictions on imports & higher interest rate regime has caused many businesses to suffer.

Despite the economic challenges and consumer recession, Modaraba's performance during the period under review continued to be resilient, Alhamdulillah. Modaraba has posted a net profit of PKR 5,983,770/= (EPC =0.43) for the nine months period ended March 31, 2023. Although the nine-month figures showed a decline in profits by 36.96% from the same period last year, the quarterly profits showed a healthy increase of 166.20% and stood at PKR 3,317,482 (EPC = 0.24), as compared to a profit of PKR 1,246,226 (EPC = 0.09) for the same period last year.

Modaraba's in-house venture, FPM PETRO Services, is showing robust growth in the quarter and is yielding healthy returns. This trend is expected to continue in the last quarter as well. Modaraba's financing portfolio is steady, as in a volatile market, caution is the best practice to exercise for financing. Also, absorption of increasing costs in the portfolio pricing always takes a longer period. This factor may affect the earnings of the last quarter.

Modaraba's in-house venture of "AML/CFT related services and solutions" is doing exceptionally well in terms of product quality, the satisfaction of its Clientele, and establishing itself as a reputable brand in the Country. Its revenues will form part of the last quarter's earnings of the Modaraba.

The management remains optimistic about its future and is hopeful to close the financial year with strong figures to ensure its commitment to the stakeholder's expectations. InshAllah.

Acknowledgements:

Management of the Modaraba and the Board of Directors recognizes the continued patronage and cooperation of the regulators especially of the offices of Registrar Modaraba, Securities and Exchange Commission of Pakistan, and the State Bank of Pakistan.

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

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

Karachi.
Date: April 28, 2023

S/d
Syed Wajih Hassan
(Chief Executive Officer)

**FIRST PARAMOUNT MODARABA
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 31 MARCH 2023**

	Note	Un-audited MARCH 31 2023 Rupees	Audited June 30 2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	3	12,783,067	12,293,712
Murabaha financing	4	42,936,968	63,815,311
Diminishing musharaka financing	5	586,902	-
Musharaka financing	6	14,500,000	12,000,000
Loan to employees		625,501	165,899
Long-term deposits		264,500	324,500
		71,696,938	88,599,422
CURRENT ASSETS			
Stores and spares		50,119,275	8,680,320
Trade debtors		130,384,350	67,736,511
Advances, prepayments and other receivables		30,159,132	30,489,742
Modaraba financing		1,822,314	1,923,382
Short-term murabaha financing		23,806,238	20,218,487
Current portion of murabaha financing	4	48,158,091	71,575,236
Current portion of diminishing musharaka financing	5	370,667	3,466,606
Current portion of musharaka financing	6	15,449,054	28,000,000
Current portion of loans to employees		200,000	839,601
Accrued profit		1,517,949	4,192,588
Tax refunds due from Government		47,652,796	47,600,423
Short Term Investment		10,166,603	-
Cash and bank balances		31,539,514	78,990,927
Receivable against sale of Al-Burq		2,221,554	-
		393,567,537	363,713,823
Assets Classified as held for sale		-	14,162,256
		393,567,537	377,876,079
		465,264,475	466,475,500
EQUITY AND LIABILITIES			
CERTIFICATE CAPITAL AND RESERVES			
Authorised certificate capital		250,000,000	250,000,000
25,000,000 certificates of Rupees 10 each			
Issued, subscribed and paid-up certificate capital		137,884,193	137,884,193
Capital reserves		60,619,355	54,635,585
Revenue reserves		22,392,468	22,392,468
		220,896,016	214,912,246
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income		5,371,532	13,933,772
Certificates of musharaka		104,928,711	131,615,000
		110,300,243	145,548,772
CURRENT LIABILITIES			
Creditors, accrued and other liabilities		26,346,271	14,141,880
Current portion of deferred income		8,057,297	10,653,277
Current portion of certificates of musharaka		75,896,289	45,885,000
Accrued profit on certificates of musharaka		2,101,371	2,198,270
Unclaimed profit distributions		20,171,115	21,135,469
Provision for Taxation		1,495,873	5,151,884
		134,068,216	99,165,780
Liabilities associated with assets classified as held for sale		-	6,848,702
TOTAL LIABILITIES		244,368,459	251,563,254
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES		465,264,475	466,475,500

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

For Paramount Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

**FIRST PARAMOUNT MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2023**

	Note	Nine months period ended		Three months period ended	
		July-March 2023	July-March 2022	Jan-March 2023	Jan-March 2022
----- (Rupees) -----					
Operating income	7	219,786,003	253,817,791	112,867,071	47,581,354
Operating cost					
Operating expenses		(201,069,984)	(228,916,632)	(104,305,929)	(42,035,754)
(Provision)/Reversal for doubtful recoveries		37,066	(250,012)	-	(250,012)
		(201,032,918)	(229,166,644)	(104,305,929)	(42,285,766)
		18,753,085	24,651,147	8,561,142	5,295,588
Other income		3,425,907	890,361	565,392	368,214
Financial charges		(12,395,855)	(10,381,906)	(3,828,904)	(3,978,514)
		9,783,137	15,159,602	5,297,630	1,685,288
Modaraba Company's management fee		(978,314)	(1,515,960)	(529,763)	(168,529)
		8,804,823	13,643,642	4,767,867	1,516,759
Provision for Sindh Workers' Welfare Fund		(176,096)	(272,873)	(95,357)	(30,335)
Profit before taxation		8,628,727	13,370,769	4,672,510	1,486,424
Taxation		(2,644,957)	(3,877,523)	(1,355,028)	(240,198)
Profit after taxation		5,983,770	9,493,246	3,317,482	1,246,226
Earnings per certificate - basic and diluted		0.43	0.69	0.24	0.09

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

For Paramount Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

**FIRST PARAMOUNT MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2023**

Note	Nine months period ended		Three months period ended	
	July-March 2023	July-March 2022	Jan-March 2023	Jan-March 2022
Profit after taxation	5,983,770	9,493,246	112,867,071	1,246,226
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit and loss account	-	-	-	-
Items that may be reclassified subsequently to profit and loss account	-	-	-	-
Other comprehensive income for the Period	-	-	-	-
Total comprehensive income for the Period	5,983,770	9,493,246	112,867,071	1,246,226

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

For Paramount Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

**FIRST PARAMOUNT MODARABA
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2023**

	March 31, 2023	March 31, 2022
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,628,727	13,370,769
Adjustments for non-cash items:		
Depreciation and amortization	1,897,925	806,010
Gain on disposal	9,078	(587)
Provision for Sindh Workers' Welfare Fund	176,096	272,873
Financial charges	12,395,855	10,381,906
(Reversal of provision) / Provision for doubtful recoveries	(37,066)	250,012
	14,441,888	11,710,214
Operating profit before working capital changes	23,070,615	25,080,983
(Increase) / decrease in current assets		
Murabaha financing - net	40,744,803	(7,335,390)
Diminishing Musharaka financing - net	2,509,037	10,029,746
Musharaka financing - net	10,050,946	-
Modaraba financing - net	101,068	6,974,840
Loans to employees	179,999	189,000
Long-term deposits	60,000	5,469
Stores and spares	(41,438,955)	(6,774,434)
Trade debtors - net	(62,647,839)	(7,492,218)
Advances, prepayments and other receivables	(9,835,993)	7,872,655
Receivable from Al-burq associates	5,092,000	-
Accrued profit	2,674,639	1,284,349
(Decrease) / increase in current liabilities		
Deferred income	(11,158,220)	581,264
Creditors, accrued and other liabilities	12,028,295	(10,796,571)
Net cash generated from operations	(28,569,605)	19,619,693
Financial charges paid	(39,870)	(46,678)
Tax (paid) / refunded - net	(6,353,341)	(12,033,545)
Net cash generated from operating activities	(34,962,816)	7,539,470
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,446,359)	11,000
Disposal in fixed assets	50,000	(159,600)
Net cash (used in)	(2,396,359)	(148,600)
CASH FLOWS FROM FINANCING ACTIVITIES		
Certificate of Musharaka - issuance	20,075,000	22,255,000
Certificate of Musharaka - redemptions	(16,750,000)	(17,525,000)
Profit paid to certificates of Musharaka (COM) holder	(12,452,884)	(9,703,977)
Profit distributed to Certificate holders	(964,354)	(4,800,980)
Net cash used in financing activities	(10,092,238)	(9,774,957)
Net increase in cash and cash equivalents	(47,451,413)	(2,384,087)
Cash and cash equivalents at beginning of the year	78,990,927	95,126,239
Cash and cash equivalents at end of the Period	31,539,514	92,742,152

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

For Paramount Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

**FIRST PARAMOUNT MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2023**

	Issued, subscribed and paid up certificate capital		Reserves			Total
	Rupees	Rupees	Capital		Revenue	
			Merger reserve	Statutory reserve		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2021	137,884,193	1,935,160	50,709,070	52,644,230	20,631,836	211,160,259
Transaction with owners: Profit distribution for the year ended 30 June 2021 @ Rupees 0.45 per certificate	-	-	-	-	(6,204,790)	(6,204,790)
Total comprehensive income: Profit after taxation 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 (Audited)	137,884,193	1,935,160	52,700,425	54,635,585	22,392,468	214,912,246

Total comprehensive income:

Profit after taxation	-	-	-	-	5,983,770	5,983,770
Other comprehensive income	-	-	-	-	5,983,770	5,983,770
Transferred to statutory reserve @ 100%	-	-	5,983,770	5,983,770	(5,983,770)	-
Balance as at March 31 2023	137,884,193	1,935,160	58,684,195	60,619,355	22,392,468	220,896,016

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

For Paramount Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

FIRST PARAMOUNT MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2023

1. LEGAL STATUS AND OPERATIONS

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

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

Modaraba's principal activities include deployment of funds on murabaha, modaraba and musharaka arrangements and its in-house ventures are (a) Electrical maintenance and troubleshooting services' under the name of "FPM Solutions" and (b) Chemical business under the name of "FPM Petro Services".

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements of the Modaraba for the nine months period ended 31 March 2023 are unaudited and being submitted to the certificate holders as required under Modaraba Companies and Modaraba Rules, 1981 and have been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting", Companies Act 2017, Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas (hereinafter referred to as the relevant laws).

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

2.2 Functional and presentation currency

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

2.3 Significant accounting estimates and judgments

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

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

	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
	----- (Rupees) -----	
3. OPERATING FIXED ASSETS		
Tangible fixed assets	12,457,372	11,873,461
Intangible assets	325,695	420,251
	<u>12,783,067</u>	<u>12,293,712</u>

Following additions and disposals, at cost, were made during the period :

	Additions		Disposals	
	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	----- Rupees -----			
Generators	-	-	-	-
Computers	288,500	134,000	-	278,936
Office and other equipment	1,086,313	18,900	144,525	38,963
Furniture and fixtures	1,001,226	-	-	-
Vehicles	70,320	8,191,195	-	4,902,384
Intangibles	-	-	-	-
	<u>2,446,359</u>	<u>8,344,095</u>	<u>144,525</u>	<u>5,220,283</u>

	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
	----- (Rupees) -----	
4. LONG-TERM MURABAHA FINANCING - secured		
Considered good	91,095,059	135,390,547
Considered doubtful	2,469,919	2,506,985
	<u>93,564,978</u>	<u>137,897,532</u>
Provision for doubtful recoveries	(2,469,919)	(2,506,985)
	<u>91,095,059</u>	<u>135,390,547</u>
Current portion of long-term murabaha financing	(48,158,091)	(71,575,236)
	<u>42,936,968</u>	<u>63,815,311</u>

	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
	----- (Rupees) -----	
5. LONG-TERM DIMINISHING MUSHARAKA FINANCING - secured		
Considered good - secured	957,569	3,466,606
Current portion of long-term diminishing musharaka financing	(370,667)	(3,466,606)
	<u>586,902</u>	<u>-</u>

	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
	----- (Rupees) -----	
6. MUSHARAKA FINANCING - secured		
Food products	12,000,000	12,000,000
Book printing -I	-	8,000,000
Book printing -II	15,449,054	20,000,000
HCS Consulting Musharika	2,500,000	-
	<u>29,949,054</u>	<u>40,000,000</u>
Less: Current portion	(15,449,054)	(28,000,000)
	<u>14,500,000</u>	<u>12,000,000</u>

Note	----- (Unaudited) -----			
	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- (Rupees) -----			

7. OPERATING REVENUE / INCOME

Profit on murabaha financing	16,752,889	15,592,281	5,345,712	5,214,819
Profit on diminishing financing	234,780	980,351	48,366	203,888
Profit on musharaka financing	1,732,138	1,971,202	600,000	939,202
Income from FPM Petro services project	190,667,138	228,277,025	103,782,033	37,242,043
Income from FPM solution project	10,399,058	6,996,932	3,090,960	3,981,402
	<u>219,786,003</u>	<u>253,817,791</u>	<u>112,867,071</u>	<u>47,581,354</u>

8. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 28 April 2023 by the Board of Directors of the Modaraba Management Company.

9. GENERAL

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

Figures have been rounded off to the nearest rupee.

For Paramount Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director








Director










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-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



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 @jamapunji_pk

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

BOOK POST
Printed Matter

Under Postal Certificate

First Paramount Modaraba
(An Islamic Financial Institution)

REGISTERED OFFICE

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