



FIRST PARAMOUNT MODARABA

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

December 31, 2023



Half Yearly REPORT



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



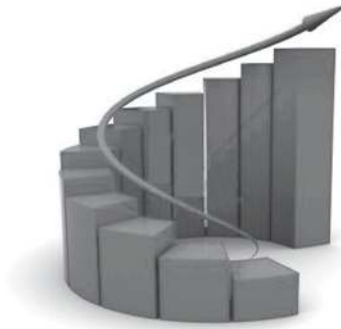
First Paramount Modaraba
(An Islamic Financial Institution)

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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 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.



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**

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 OF FIRST PARAMOUNT MODARABA

The Directors of Paramount Investment Limited, Management Company of First Paramount Modaraba, are pleased to present the unaudited standalone and consolidated financial statements for the six months period that ended on 31 December 2023.

Modaraba has posted a pre-tax profit of Rs. 20,153,987 for the six months, as compared to pre-tax profit of Rs. 3,956,217 for the same period last year (an increase of 409%). The after-tax profits for the period stood at Rs. 14,736,877, recording an increase of Rs. 12,070,589 from the corresponding period last year. Earnings per certificate for the period is Rs. 1.07 while it was at Rs. 0.19 per certificate in the same period last year.

Modaraba's in-house venture, "FPM Petro Services", continued its enhanced business volumes and posted a record revenue growth in the first six months, an increase of 181% from the same period last year. Realignment of the product portfolio, continuous introduction of new high margin products and relentless efforts for securing high sales volume is translated into healthy results. Due to increased focus of the government on hydrocarbon exploration and related activities, we expect this momentum to continue to the next half of the financial year.

Through its newly established local entity, "Paramount Compliance (Private) Limited", Modaraba is positioning to sell its AML/CFT Screening related services in the Regional markets. In the last quarter of the current financial year, some tangible outcome of this new market shall be witnessed, InshAllah.

Modaraba is committed to fully comply with the "New Modaraba Regulations", especially for the requirements relating to enhancement in Equity and Credit Rating.

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
27 February 2024

Syed Wajih Hassan
Chief Executive Officer

Riaz Ahmad & Company
Chartered Accountants

Office No. 5, 20th Floor
Bahris Town Tower, Block 2
P.E.C.H.S., Karachi, Pakistan
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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE CERTIFICATE HOLDERS OF FIRST PARAMOUNT MODARABA

Report on Review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of FIRST PARAMOUNT MODARABA ("the Modaraba") as at 31 December 2023 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, and unconsolidated condensed interim statement of changes in equity, and notes to the unconsolidated condensed interim financial statements for the six months period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management of the Modaraba Management Company (Paramount Investments Limited) is responsible for the preparation and presentation of these unconsolidated 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 unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2022 and 31 December 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated 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 13.1 to the accompanying unconsolidated 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 prior 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: 28 FEBRUARY 2024
UDIN: RR202310045eGp0Qg2fd

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International

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

| | Note | Un-audited 31 December 2023 Rupees | Audited 30 June 2023 Rupees |
|--|------|--|-----------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | 5 | 11,450,297 | 12,365,684 |
| Long term investments | 6 | 9,980 | - |
| Murabaha financing - secured | 7 | 32,331,565 | 41,453,148 |
| Diminishing musharaka financing - secured | 8 | 278,903 | 400,827 |
| Musharaka financing - secured | 9 | 12,000,000 | 12,000,000 |
| Loans to employees | | 481,503 | 577,501 |
| Long-term deposits | | 264,500 | 264,500 |
| | | 56,816,748 | 67,061,660 |
| CURRENT ASSETS | | | |
| Stock in trade | | 34,608,976 | 37,779,122 |
| Trade debtors - unsecured | 10 | 249,346,530 | 91,409,541 |
| Advances, prepayments and other receivables | | 29,963,830 | 36,440,620 |
| Modaraba financing - secured and considered good | | 1,232,314 | 1,822,314 |
| Short-term murabaha financing - secured | | 785,000 | 15,622,491 |
| Current portion of murabaha financing | 7 | 48,943,155 | 58,345,881 |
| Current portion of diminishing musharaka financing | 8 | 272,250 | 282,937 |
| Current portion of musharaka financing | 9 | 13,949,054 | 16,949,054 |
| Current portion of loans to employees | | 222,000 | 192,000 |
| Short-term deposit | | 3,900,000 | 3,950,000 |
| Accrued profit | | 1,223,607 | 2,494,612 |
| Short term investment | | 19,604,438 | 20,776,415 |
| Tax refunds due from government | | 58,457,329 | 53,062,929 |
| Receivable against sale of Al-Burq | 11 | 521,554 | 1,221,554 |
| Cash and bank balances | 12 | 16,276,517 | 46,413,056 |
| | | 479,306,554 | 386,762,526 |
| TOTAL ASSETS | | 536,123,302 | 453,824,186 |
| EQUITY AND LIABILITIES | | | |
| CERTIFICATE CAPITAL AND RESERVES | | | |
| Authorized certificate capital | | 25,000,000 | 25,000,000 |
| 25,000,000 (June 2023: 25,000,000) certificates of Rupees 10 each (June 2023: 10 each) | | 137,884,193 | 137,884,193 |
| Issued, subscribed and paid-up certificate capital | | 75,912,586 | 61,175,709 |
| Capital reserves | | 22,392,468 | 22,392,468 |
| Revenue reserves | | 236,189,247 | 221,452,370 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Deferred income | | 8,857,606 | 8,520,320 |
| Certificates of musharaka | 13 | 123,550,000 | 138,190,000 |
| | | 132,407,606 | 146,710,320 |
| CURRENT LIABILITIES | | | |
| Creditors, accrued and other liabilities | | 94,128,006 | 9,098,069 |
| Current portion of deferred income | | 5,900,549 | 10,399,178 |
| Current portion of certificates of musharaka | 13 | 30,900,000 | 29,310,000 |
| Certificates of musharaka matured parties | | 5,100,000 | 9,850,000 |
| Accrued profit on certificates of musharaka | 14 | 3,044,840 | 3,613,638 |
| Unclaimed profit distributions | | 18,739,343 | 19,234,855 |
| Provision for taxation | | 9,713,711 | 4,155,756 |
| | | 167,526,449 | 85,661,496 |
| TOTAL LIABILITIES | | 299,934,055 | 232,371,816 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 15 | | |
| TOTAL EQUITY AND LIABILITIES | | 536,123,302 | 453,824,186 |

The annexed notes from 01 to 23 form an integral part of this unconsolidated condensed interim financial statements

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

FIRST PARAMOUNT MODARABA
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2023

| | Note | Six-Months Period Ended | | Three-Months Period Ended | |
|---|------|-------------------------|---------------------|---------------------------|---------------------|
| | | 31 December | | 31 December | |
| | | 2023 | 2022 | 2023 | 2022 |
| | | Rupees | Rupees | Rupees | Rupees |
| Continued operations | | | | | |
| Operating income | 16 | 254,647,915 | 106,918,932 | 95,058,900 | 56,213,655 |
| Operating costs | | | | | |
| Operating expenses | | (225,769,396) | (96,764,055) | (86,413,234) | (51,256,599) |
| Allowance for Expected Credit Loss (ECL) | | (243,171) | - | (243,171) | - |
| Reversal of provision against doubtful recoveries of murabaha financing | | 608,931 | 37,066 | 608,931 | 37,066 |
| | | (225,403,636) | (96,726,989) | (86,047,474) | (51,219,533) |
| | | 29,244,279 | 10,191,943 | 9,011,426 | 4,994,122 |
| Other income | | 3,276,198 | 2,860,515 | 1,226,360 | 1,352,767 |
| | | 32,520,477 | 13,052,458 | 10,237,786 | 6,346,889 |
| Financial charges | | (9,670,151) | (8,566,951) | (3,985,866) | (4,093,961) |
| | | 22,850,326 | 4,485,507 | 6,251,920 | 2,252,928 |
| Modaraba Company's management fee | | (2,285,033) | (448,551) | (625,192) | (225,293) |
| | | 20,565,293 | 4,036,956 | 5,626,728 | 2,027,635 |
| Provision for Sindh Workers' Welfare Fund | | (411,306) | (80,739) | (112,535) | (40,553) |
| Profit before tax from continuing operations | | 20,153,987 | 3,956,217 | 5,514,193 | 1,987,082 |
| Taxation | 17 | (5,417,110) | (1,289,929) | (1,171,570) | (718,880) |
| Profit after tax from continuing operations | | 14,736,877 | 2,666,288 | 4,342,623 | 1,268,202 |
| Profit for the year | | 14,736,877 | 2,666,288 | 4,342,623 | 1,268,202 |
| Earnings per certificate | | | | | |
| From continuing operations | 18 | 1.07 | 0.19 | 0.31 | 0.09 |

The annexed notes from 01 to 23 form an integral part of this unconsolidated condensed interim financial statements

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICE

DIRECTOR

DIRECTOR



First Paramount Modaraba
(An Islamic Financial Institution)

FIRST PARAMOUNT MODARABA
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2023

| | Six-Months Period Ended 31 December | | Three-Months Period Ended 31 December | |
|--|--|------------------|--|------------------|
| | 2023 Rupees | 2022 Rupees | 2023 Rupees | 2022 Rupees |
| Profit after tax from continuing operations | 14,736,877 | 2,666,288 | 4,342,623 | 1,268,202 |
| 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 period | 14,736,877 | 2,666,288 | 4,342,623 | 1,268,202 |

The annexed notes from 01 to 23 form an integral part of this unconsolidated condensed interim financial statements

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
UNCONSOLIDATED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2023**

| | Six-Months Period Ended 31 December | |
|--|--|---------------------|
| | 2023 Rupees | 2022 Rupees |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax from continuing operations | 20,153,987 | 3,956,217 |
| Adjustments for non-cash items: | | |
| Depreciation | 1,052,159 | 1,181,768 |
| Amortization | 44,126 | 63,037 |
| Loss on disposal | - | 9,078 |
| Provision for Sindh Worker's Welfare Fund | 411,306 | 80,739 |
| Financial charges | 9,670,151 | 8,566,951 |
| (Reversal) / provision of against doubtful debts - net | (365,760) | (37,066) |
| Deposit set-off against liability | - | 60,000 |
| Operating profit before working capital changes | 30,965,969 | 13,880,724 |
| (Increase) / decrease in current assets | | |
| Murabaha financing - net | 33,970,731 | 3,457,231 |
| Diminishing Musharaka financing - net | 132,611 | 2,243,585 |
| Musharaka financing - net | 3,000,000 | 10,050,946 |
| Modaraba financing - net | 590,000 | 101,068 |
| Stores and spares | 3,170,146 | (31,641,414) |
| Trade debtors | (158,180,160) | (6,880,660) |
| Loans to employees | 65,998 | 117,998 |
| Advances, prepayments and other receivables | 6,476,790 | (24,366,508) |
| Short-term deposit | 50,000 | - |
| Receivable from Al-burq associates | 700,000 | 3,492,000 |
| Short term investment | 1,171,977 | - |
| Accrued profit | 1,271,005 | 1,747,980 |
| (Decrease) / increase in current liabilities | | |
| Deferred income | (4,161,343) | (6,051,040) |
| Creditors, accrued and other liabilities | 79,858,651 | 3,469,997 |
| Net cash generated / (used) from operating activities | (917,625) | (30,378,093) |
| Bank charges paid | (12,244) | (32,847) |
| Taxes paid | (5,253,555) | (6,324,203) |
| Net cash used in operating activities | (6,183,424) | (36,735,143) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (180,898) | (1,993,054) |
| Sale proceed on disposals of fixed assets | - | 50,000 |
| Net cash used in investing activities | (180,898) | (1,943,054) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Certificate of musharaka - issuance | 7,575,000 | 15,600,000 |
| Certificate of musharaka - redemptions | (20,625,000) | (14,625,000) |
| Profit paid to certificates of Mushraka (COM) holder | (10,226,705) | (8,487,188) |
| Profit distribution to certificate holders | (495,512) | (408,544) |
| Net cash used in financing activities | (23,772,217) | (7,920,732) |
| Net decrease in cash and cash equivalents | (30,136,539) | (46,598,929) |
| Cash and cash equivalents at beginning of the period | 46,413,056 | 78,990,927 |
| Cash and cash equivalents at end of the period | 16,276,517 | 32,391,998 |

The annexed notes from 01 to 23 form an integral part of this unconsolidated condensed interim financial statements

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
 FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2023**

| | Issued, subscribed and paid up certificate capital | | Reserves | | Capital | | Revenue | | Total |
|--|--|-----------|----------------|-------------------|--------------|-----------------------|---------|--------|-------|
| | Rupees | Rupees | Merger reserve | Statutory reserve | Total | Unappropriated profit | Rupees | Rupees | |
| 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 | - | - | - | - | 2,666,288 | 2,666,288 | | | |
| Other comprehensive income | - | - | - | - | 2,666,288 | 2,666,288 | | | |
| Transferred to statutory reserve @ 100% | - | - | 2,666,288 | 2,666,288 | (2,666,288) | 2,666,288 | | | |
| Balance as at 31 December 2022 (Un-audited) | 137,884,193 | 1,935,160 | 55,366,713 | 57,301,873 | 22,392,468 | 217,578,534 | | | |
| Total comprehensive income: | | | | | | | | | |
| Profit after taxation | - | - | - | - | 3,873,836 | 3,873,836 | | | |
| Other comprehensive income | - | - | - | - | 3,873,836 | 3,873,836 | | | |
| Transferred to statutory reserve @ 100% | - | - | 3,873,836 | 3,873,836 | (3,873,836) | 3,873,836 | | | |
| Balance as at 30 June 2023 (Audited) | 137,884,193 | 1,935,160 | 59,240,549 | 61,175,709 | 22,392,468 | 221,452,370 | | | |
| Total comprehensive income: | | | | | | | | | |
| Profit after taxation | - | - | - | - | 14,736,877 | 14,736,877 | | | |
| Other comprehensive income | - | - | - | - | 14,736,877 | 14,736,877 | | | |
| Transferred to statutory reserve @ 100% | - | - | 14,736,877 | 14,736,877 | (14,736,877) | 14,736,877 | | | |
| Balance as at 31 December 2023 (Un-audited) | 137,884,193 | 1,935,160 | 73,977,426 | 75,912,586 | 22,392,468 | 236,189,247 | | | |

The annexed notes from 01 to 23 form an integral part of this unconsolidated condensed interim financial statements

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

FIRST PARAMOUNT MODARABA
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2023

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, Shahr-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".

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

- 1.3** The VIS Credit Rating Company Limited has assigned long term / short term performance ranking of the Modaraba "BBB / A-3" as on 13 December 2023.

2. BASIS OF PREPARATION

- 2.1** This unconsolidated condensed interim financial statements 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), Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980 & Companies Act 2017; 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** These unconsolidated condensed interim financial statements 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 in accordance with requirement of Code of Corporate Governance and is being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981.
- 2.3** These unconsolidated condensed interim financial statements have been prepared under the historical cost convention.
- 2.4** These unconsolidated condensed interim financial statements are prepared in Pakistani Rupees which is the Modaraba's functional and presentation currency and figures presented in these unconsolidated condensed interim financial statements have been rounded off to the nearest rupee.
- 2.5** These unconsolidated condensed interim financial statements 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 2023. The comparative balance sheet presented has been extracted from annual financial statement for the year ended 30 June 2023, 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 unconsolidated condensed interim financial statements are the same as those applied in the preparation of the published annual financial statement for the year ended 30 June 2023 except for the addition of the following:

3.1 Long term investment

Investment in subsidiary are stated at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Separate Financial Statements'.

4. FINANCIAL RISK MANAGEMENT

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

The unconsolidated condensed interim financial statements 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 2023.

| | Note | Un-audited 31 December 2023 Rupees | Audited 30 June 2023 Rupees |
|---|------|--|-----------------------------------|
| 5. FIXED ASSETS | | | |
| Tangible assets | 5.1 | 11,200,247 | 12,071,508 |
| Intangible assets | 5.2 | 250,050 | 294,176 |
| | | 11,450,297 | 12,365,684 |
| 5.1 Tangible assets | | | |
| Opening net book value | | 12,071,508 | 11,873,461 |
| Additions during the period / year | | 180,898 | 2,717,659 |
| Disposal during the period / year | | - | (81,668) |
| Depreciation charged during the period / year | | (1,052,159) | (2,437,944) |
| Closing net book value | | 11,200,247 | 12,071,508 |
| 5.2 Intangible assets | | | |
| Opening net book value | | 294,176 | 420,251 |
| Amortization charged during the period / year | | (44,126) | (126,075) |
| Closing net book value | | 250,050 | 294,176 |
| 6. LONG TERM INVESTMENTS | | | |
| At cost: | | | |
| Investment in subsidiary - related party | 6.1 | 9,980 | - |
| 6.1 | | | |
| During the reporting period, the Modaraba has subscribed 998 ordinary shares of Paramount Compliance (Private) Limited, representing 99.8% of the share capital of Paramount Compliance (Private) Limited. | | | |
| 7. MURABAHA FINANCING - SECURED | | | |
| Considered good | | 81,274,720 | 99,799,029 |
| Considered doubtful | 7.1 | 1,779,393 | 2,388,324 |
| | 7.2 | 83,054,113 | 102,187,353 |
| Less: Provision for doubtful recoveries | | (1,779,393) | (2,388,324) |
| | | 81,274,720 | 99,799,029 |
| Current portion of murabaha financing | 7.3 | (48,943,155) | (58,345,881) |
| | | 32,331,565 | 41,453,148 |
| 7.1 Movement in allowance for expected credit losses | | | |
| Opening balance | | 2,388,324 | 2,506,985 |
| Charge for the period / year | | - | - |
| Reversal made during the period / year | | (608,931) | (118,661) |
| Closing balance | | 1,779,393 | 2,388,324 |
| 7.2 | | | |
| The Modaraba has sold goods under Murabaha arrangements whereby payment is deferred along with specified profit margin. Murabaha sale is receivable in installments. These arrangements are secured by way of hypothecation / pledge of stocks, mortgage of properties, demand promissory notes, charge on assets and personal guarantees. The combined forced sales value (FSV) of the underlying assets as security amounts to Rupees 474.161 million (30 June 2023: Rupees 505.53 million) in aggregate. | | | |
| These facilities have various maturity dates up to 16 May 2027. Effective profit rate on these arrangements ranges from 18% to 26% (30 June 2023: 18% to 24%). | | | |

7.3 Contractual installments receivables on murabaha financing facilities:

| | Principal Rupees | Profit Rupees | Total Rupees |
|--|---------------------|-------------------|-------------------|
| 31 December 2023 - Un-audited | | | |
| Due within one year / overdue | 40,976,408 | 7,966,747 | 48,943,155 |
| Due after one year but within five years | 25,254,031 | 8,856,927 | 34,110,958 |
| Due after five years | - | - | - |
| | <u>66,230,439</u> | <u>16,823,674</u> | <u>83,054,113</u> |

8

Contractual receivables from murabaha financing facilities:

| | Principal Rupees | Profit Rupees | Total Rupees |
|--|---------------------|-------------------|--------------------|
| 30 June 2023 - Audited | | | |
| Due within one year / overdue | 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 | - | - | - |
| | <u>81,501,549</u> | <u>20,685,804</u> | <u>102,187,353</u> |

| | Note | Un-audited 31 December 2023 Rupees | Audited 30 June 2023 Rupees |
|--|-----------|--|-----------------------------------|
| 8. DIMINISHING MUSHARAKA FINANCING - SECURED | | | |
| Considered good | | 551,153 | 683,764 |
| Less: Current portion of diminishing musharaka financing | 8.1 & 8.2 | <u>(272,250)</u> | <u>(282,937)</u> |
| | | <u>278,903</u> | <u>400,827</u> |

8.1 This represents financing provided to individual under diminishing musharaka arrangement for purchase of building. The effective profit rate on this arrangement is 22.8% (30 June 2023: 22.8%) 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 (30 June 2023: Rupees 5.85 million) in aggregate.

8.2 Contractual rentals receivable from diminishing musharaka financing facilities:

| | | |
|--|----------------|----------------|
| Due within one year | 272,250 | 282,937 |
| Due after one year but within five years | 278,903 | 400,827 |
| Due after five years | - | - |
| | <u>551,153</u> | <u>683,764</u> |

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

9. MUSHARAKA FINANCING - SECURED

Musharaka agreements for:

Considered good:

| | | |
|-------------------------|-------------------|-------------------|
| Food products | 12,000,000 | 12,000,000 |
| Microsoft power project | - | 2,500,000 |
| | <u>12,000,000</u> | <u>14,500,000</u> |

Considered doubtful:

| | | |
|---|-------------------|-------------------|
| Books printing - II | 13,949,054 | 14,449,054 |
| Less: Provision for doubtful recoveries | - | - |
| | <u>13,949,054</u> | <u>14,449,054</u> |

| | | | |
|--|-----|---------------------|---------------------|
| Less: Current portion of musharaka financing | 9.2 | <u>(13,949,054)</u> | <u>(16,949,054)</u> |
| | | <u>12,000,000</u> | <u>12,000,000</u> |

9.1 The combined forced sales value (FSV) of the underlying assets as security amounts to Rupees 52.6 million (30 June 2023: Rupees 52.6 million) in aggregate.

9.2 Contractual installments receivable on Musharaka financing facilities:

| | | |
|--|--------------------------|-------------------|
| Due within one year | 13,949,054 | 16,949,054 |
| Due after one year but within five years | 12,000,000 | 12,000,000 |
| Due after five years | - | - |
| | <u>25,949,054</u> | <u>28,949,054</u> |

| | Note | Un-audited 31 December 2023 Rupees | Audited 30 June 2023 Rupees |
|--------------------------------------|------|--|-----------------------------------|
| 10. TRADE DEBTORS - Unsecured | | | |
| Considered good | | 249,346,530 | 91,409,541 |
| Considered doubtful | | 4,684,783 | 4,441,612 |
| | | <u>254,031,313</u> | <u>95,851,153</u> |
| Allowance for expected credit losses | 10.1 | <u>(4,684,783)</u> | <u>(4,441,612)</u> |
| | | <u>249,346,530</u> | <u>91,409,541</u> |

10.1 Movement in allowance for expected credit losses:

| | | |
|------------------------------|-------------------------|------------------|
| Opening balance | 4,441,612 | 4,331,674 |
| Charge for the period / year | 243,171 | 109,938 |
| Closing balance | <u>4,684,783</u> | <u>4,441,612</u> |

11 RECEIVABLE AGAINST SALE OF AL-BURQ

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).

12. CASH AND BANK BALANCES

| | | | |
|--------------------|-------------|--------------------------|-------------------|
| Cash in hand | | 62,496 | 70,148 |
| Cash at banks | | | |
| - Current accounts | | 8,133,312 | 11,972,070 |
| - Deposit accounts | 12.1 & 12.2 | <u>8,080,709</u> | <u>34,370,838</u> |
| | | <u>16,276,517</u> | <u>46,413,056</u> |

12.1 This includes Rupees 3.621 million (30 June 2023: Rupees 7.47 million) in respect of Redemption Reserve Fund established on account of certificates of musharaka.

12.2 Effective profit rate in respect of deposit accounts ranges from 10.00% to 17.95% (30 June 2023: 4.76% to 12.18%) per annum.

13. CERTIFICATES OF MUSHARAKA

| | | | |
|--|--|----------------------------|---------------------|
| Opening balance | | 167,500,000 | 177,500,000 |
| Issued during the period / year | | 7,575,000 | 23,275,000 |
| Redemption made during the period / year | | <u>(20,625,000)</u> | <u>(33,275,000)</u> |
| | | <u>154,450,000</u> | <u>167,500,000</u> |
| Less: Current portion of certificates of musharaka | | <u>(30,900,000)</u> | <u>(29,310,000)</u> |
| | | <u>123,550,000</u> | <u>138,190,000</u> |

13.1 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, in previous 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-complaint with certain conditions laid down in Regulation 19 as at reporting period end and believes to ensure compliance with the same within the said interim period.

13.2 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 13.5% (30 June 2023: 7% to 12%) per annum (refer Note 12.1).

| Note | Un-audited 31 December 2023 Rupees | Audited 30 June 2023 Rupees |
|--|--|-----------------------------------|
| 14. ACCRUED PROFIT ON CERTIFICATES OF MUSHARIKA | | |
| Opening balance | 3,613,638 | 2,198,270 |
| Add: Accrued during the year | 9,657,907 | 18,334,637 |
| Less: Paid during the year | <u>(10,226,705)</u> | <u>(16,919,269)</u> |
| Closing balance | <u>3,044,840</u> | <u>3,613,638</u> |

15. CONTINGENCIES AND COMMITMENTS

a) Contingencies

15.1 There has been no significant change in the status of contingencies as disclosed in the annual financial statements of the Modaraba for the year ended 30 June 2023.

b) Commitments

There were no commitments outstanding as at reporting date.

| | Note | Un-audited Six-months period ended 31 December | | Un-audited Three-months period ended 31 December | |
|-----------------------------------|------|--|-------------|--|------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | Rupees | Rupees | Rupees | Rupees |
| 16. OPERATING INCOME | | | | | |
| Profit on: | | | | | |
| - murabaha financing | | 8,196,256 | 11,407,177 | 4,773,500 | 6,419,418 |
| - diminishing musharaka financing | | 70,065 | 186,414 | 33,615 | 82,477 |
| - musharaka financing | | 1,060,592 | 1,132,138 | 460,592 | 682,138 |
| Income from: | | | | | |
| - FPM Solution | 16.1 | 3,140,626 | 7,308,098 | 519,912 | 2,677,056 |
| - FPM Petro | 16.2 | 242,180,376 | 86,885,105 | 89,271,281 | 46,352,566 |
| | | 254,647,915 | 106,918,932 | 95,058,900 | 56,213,655 |

16.1 This represents income generated from project power solutions 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.

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

| | Note | Un-audited 31 December 2023 Rupees | Un-audited 31 December 2022 Rupees |
|---------------------|------|--|--|
| 17. TAXATION | | | |
| Current | 17.1 | 5,417,110 | 1,337,112 |
| Prior | | - | (47,183) |
| Deferred | 17.2 | - | - |
| | | 5,417,110 | 1,289,929 |

17.1 The charge for current taxation is based on corporate tax payable at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available if any.

17.2 Deferred tax asset as at 31 December 2023 to the extent of Rupees 0.138 million (30 June 2023: Rupees 0.47 million) has not been recognized as the Modaraba is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

18. EARNINGS PER CERTIFICATE

| | | | | |
|--|-------------------|------------|-------------------|------------|
| Profit for the period attributable to certificate holders - Rupees | 14,736,877 | 2,666,288 | 4,342,623 | 1,268,202 |
| Weighted average number of certificates - Number | 13,788,420 | 13,788,420 | 13,788,420 | 13,788,420 |
| Earnings per certificate - Rupees | 1.07 | 0.19 | 0.31 | 0.09 |

18.1 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 2023 and 31 December 2022 which would have any effect on the earnings per certificate if the option to convert is exercised.

19. TRANSACTIONS WITH RELATED PARTIES

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

| | a) Transactions during the period | | | | Un-audited Six-months period ended 31 December 2022 Rupees | Un-audited 31 December 2023 Rupees |
|---|-----------------------------------|---|------------------------------|---|---|--|
| | Relationship with the Modaraba | Name of related party | Basis of relationship | Nature of transactions | | |
| | | | | | | |
| i. | Management Company | Paramount Investments Limited | 14.26% certificate holding | Management fee Expense allocated | 448,551 - | 2,285,033 |
| | | | | Payments made during the period Profit distributed | 1,422,071 - | 1,814,471 |
| ii. | Directors | - | - | Rent paid Profit distribution | 466,878 - | 539,928 |
| iii. | Staff retirement funds | Paramount Investments Limited - Employees' Provident Fund | Funded provident fund scheme | Contribution to the Fund Profit paid on certificates of musharaka | 299,878 71,419 | 295,526 |
| iv. | Subsidiary company | Paramount Compliance (Private) Limited | 99.80% shareholding | Expenses paid on behalf of subsidiary company | - | 4,885 |
| b) Balances receivable / (payable) | | | | | | |
| | a) Transactions during the period | | | | Un-audited 31 December 2023 Rupees | Audited 30 June 2023 Rupees |
| Relationship with the Modaraba | Name of related party | Basis of relationship | Nature of balances | | | |
| i. | Management Company | Paramount Investments Limited | 14.26% certificate holding | Other receivables | 6,126,095 | 6,893,714 |
| ii. | Directors | - | - | Security deposit | 217,800 | 217,800 |
| iii. | Staff retirement benefit funds | Paramount Investment Limited - Employees Provident Fund | Funded provident fund scheme | Certificates of musharaka Accrued profit on certificate of musharaka | (1,400,000) (4,290) | (1,400,000) (3,353) |
| iv. | Subsidiary company | Paramount Compliance (Private) Limited | 99.80% shareholding | Other receivables Other payables | 4,885 9,980 | - - |

20. INFORMATION ABOUT BUSINESS SEGMENTS

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

a) Segment assets and liabilities

| | As at 31 December 2023 (Un-audited) | | | | |
|---------------------|-------------------------------------|-------------------------|---------------------|------------------|-----------------|
| | Financing Rupees | FPM Solutions Rupees | FPM Petro Rupees | Others Rupees | Total Rupees |
| Segment assets | 182,600,703 | 8,533,865 | 344,798,952 | 189,782 | 536,123,302 |
| Segment liabilities | (92,982,923) | (15,826,267) | (191,148,673) | 23,808 | (299,934,055) |
| | As at 30 June 2023 (Audited) | | | | |
| | Financing Rupees | FPM Solutions Rupees | FPM Petro Rupees | Others Rupees | Total Rupees |
| Segment assets | 295,974,612 | 4,466,544 | 153,192,339 | 190,691 | 453,824,186 |
| Segment liabilities | (186,476,360) | (11,218,119) | (34,700,325) | 22,988 | (232,371,816) |

b) Segment results

| | For the six-months period ended 31 December 2023 (Un-audited) | | | | |
|----------------------------|---|-------------------------|---------------------|------------------|-----------------|
| | Financing Rupees | FPM Solutions Rupees | FPM Petro Rupees | Others Rupees | Total Rupees |
| Revenue | 9,326,913 | 3,140,626 | 242,180,376 | - | 254,647,915 |
| Profit / (loss) before tax | (14,513,367) | (490,827) | 35,158,263 | (82) | 20,153,987 |
| | For the six-months period ended 31 December 2022 (Un-audited) | | | | |
| | Financing Rupees | FPM Solutions Rupees | FPM Petro Rupees | Others Rupees | Total Rupees |
| Revenue | 12,725,729 | 7,308,098 | 86,885,105 | - | 106,918,932 |
| Profit / (loss) before tax | (6,421,744) | 940,076 | 9,421,249 | 16,636 | 3,956,217 |





First Paramount Modaraba
(An Islamic Financial Institution)

21. 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.

22. 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.

23. GENERAL

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

23.2 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



**Consolidated Condensed Interim
Financial Statements
31 December 2023**

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

| | | Un-audited 31 December 2023 | Audited 30 June 2023 |
|--|------|--------------------------------|-------------------------|
| | Note | Rupees | Rupees |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | 5 | 11,450,297 | 12,365,684 |
| Murabaha financing - secured | 6 | 32,331,565 | 41,453,148 |
| Diminishing musharaka financing - secured | 7 | 278,903 | 400,827 |
| Musharaka financing - secured | 8 | 12,000,000 | 12,000,000 |
| Loans to employees | | 481,503 | 577,501 |
| Long-term deposits | | 264,500 | 264,500 |
| | | 56,806,768 | 67,061,660 |
| CURRENT ASSETS | | | |
| Stock in trade | | 34,608,976 | 37,779,122 |
| Trade debtors - unsecured | 9 | 249,346,530 | 91,409,541 |
| Advances, prepayments and other receivables | | 29,958,945 | 36,440,620 |
| Modaraba financing - secured and considered good | | 1,232,314 | 1,822,314 |
| Short-term murabaha financing - secured | | 785,000 | 15,622,491 |
| Current portion of murabaha financing | 6 | 48,943,155 | 58,345,881 |
| Current portion of diminishing musharaka financing | 7 | 272,250 | 282,937 |
| Current portion of musharaka financing | 8 | 13,949,054 | 16,949,054 |
| Current portion of loans to employees | | 222,000 | 192,000 |
| Short-term deposit | | 3,900,000 | 3,950,000 |
| Accrued profit | | 1,223,607 | 2,494,612 |
| Short term investment | | 19,604,438 | 20,776,415 |
| Tax refunds due from government | | 58,457,329 | 53,062,929 |
| Receivable against sale of Al-Burq | 10 | 521,554 | 1,221,554 |
| Cash and bank balances | 11 | 16,272,632 | 46,413,056 |
| | | 479,297,784 | 386,762,526 |
| TOTAL ASSETS | | 536,104,552 | 453,824,186 |
| EQUITY AND LIABILITIES | | | |
| CERTIFICATE CAPITAL AND RESERVES | | | |
| Authorized certificate capital | | | |
| 25,000,000 (June 2023: 25,000,000) certificates of Rupees 10 each (June 2023: 10 each) | | 250,000,000 | 250,000,000 |
| Issued, subscribed and paid-up certificate capital | | 137,884,193 | 137,884,193 |
| Capital reserves | | 75,908,701 | 61,175,709 |
| Revenue reserves | | 22,392,468 | 22,392,468 |
| | | 236,185,362 | 221,452,370 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Deferred income | | 8,857,606 | 8,520,320 |
| Certificates of musharaka | 12 | 123,550,000 | 138,190,000 |
| | | 132,407,606 | 146,710,320 |
| CURRENT LIABILITIES | | | |
| Creditors, accrued and other liabilities | | 94,113,141 | 9,098,069 |
| Current portion of deferred income | | 5,900,549 | 10,399,178 |
| Current portion of certificates of musharaka | 12 | 30,900,000 | 29,310,000 |
| Certificates of musharaka matured parties | | 5,100,000 | 9,850,000 |
| Accrued profit on certificates of musharaka | 13 | 3,044,840 | 3,613,638 |
| Unclaimed profit distributions | | 18,739,343 | 19,234,855 |
| Provision for taxation | | 9,713,711 | 4,155,756 |
| | | 167,511,584 | 85,661,496 |
| TOTAL LIABILITIES | | 299,919,190 | 232,371,816 |
| CONTINGENCIES AND COMMITMENTS | | | |
| TOTAL EQUITY AND LIABILITIES | 14 | 536,104,552 | 453,824,186 |

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

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR



FIRST PARAMOUNT MODARABA
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2023

| | Note | Six-Months Period Ended 31 December | | Three-Months Period Ended 31 December | |
|---|------|--|------------------|--|------------------|
| | | 2023 Rupees | 2022 Rupees | 2023 Rupees | 2022 Rupees |
| Continued operations | | | | | |
| Operating income | 15 | 254,647,915 | 106,918,932 | 95,058,900 | 56,213,655 |
| Operating costs | | | | | |
| Operating expenses | | (225,773,281) | (96,764,055) | (86,417,119) | (51,256,599) |
| Allowance for Expected Credit Loss (ECL) | | (243,171) | - | (243,171) | - |
| Reversal of provision against doubtful recoveries of murabaha financing | | 608,931 | 37,066 | 608,931 | 37,066 |
| | | (225,407,521) | (96,726,989) | (86,051,359) | (51,219,533) |
| | | 29,240,394 | 10,191,943 | 9,007,541 | 4,994,122 |
| Other income | | 3,276,198 | 2,860,515 | 1,226,360 | 1,352,767 |
| | | 32,516,592 | 13,052,458 | 10,233,901 | 6,346,889 |
| Financial charges | | (9,670,151) | (8,566,951) | (3,985,866) | (4,093,961) |
| | | 22,846,441 | 4,485,507 | 6,248,035 | 2,252,928 |
| Modaraba Company's management fee | | (2,285,033) | (448,551) | (625,192) | (225,293) |
| | | 20,561,408 | 4,036,956 | 5,622,843 | 2,027,635 |
| Provision for Sindh Workers' Welfare Fund | | (411,306) | (80,739) | (112,535) | (40,553) |
| Profit before tax from continuing operations | | 20,150,102 | 3,956,217 | 5,510,308 | 1,987,082 |
| Taxation | 16 | (5,417,110) | (1,289,929) | (1,171,570) | (718,880) |
| Profit after tax from continuing operations | | 14,732,992 | 2,666,288 | 4,338,738 | 1,268,202 |
| Profit for the year | | 14,732,992 | 2,666,288 | 4,338,738 | 1,268,202 |
| Earnings per certificate | | | | | |
| From continuing operations | 17 | 1.07 | 0.19 | 0.31 | 0.09 |

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

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICE

DIRECTOR

DIRECTOR



First Paramount Modaraba
(An Islamic Financial Institution)

FIRST PARAMOUNT MODARABA
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2023

| | Six-Months Period Ended | | Three-Months Period Ended | |
|--|-------------------------|------------------|---------------------------|------------------|
| | 31 December | | 31 December | |
| | 2023 | 2022 | 2023 | 2022 |
| | Rupees | Rupees | Rupees | Rupees |
| Profit after tax from continuing operations | 14,732,992 | 2,666,288 | 4,338,738 | 1,268,202 |
| 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 period | 14,732,992 | 2,666,288 | 4,338,738 | 1,268,202 |

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

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
CONSOLIDATED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2023**

| | Six-Months Period Ended 31 December | |
|--|--|---------------------|
| | 2023 Rupees | 2022 Rupees |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax from continuing operations | 20,150,102 | 3,956,217 |
| Adjustments for non-cash items: | | |
| Depreciation | 1,052,159 | 1,181,768 |
| Amortization | 44,126 | 63,037 |
| Loss on disposal | - | 9,078 |
| Provision for Sindh Worker's Welfare Fund | 411,306 | 80,739 |
| Financial charges | 9,670,151 | 8,566,951 |
| (Reversal) / provision of against doubtful debts - net | (365,760) | (37,066) |
| Deposit set-off against liability | - | 60,000 |
| Operating profit before working capital changes | 30,962,084 | 13,880,724 |
| (Increase) / decrease in current assets | | |
| Murabaha financing - net | 33,970,731 | 3,457,231 |
| Diminishing Musharaka financing - net | 132,611 | 2,243,585 |
| Musharaka financing - net | 3,000,000 | 10,050,946 |
| Modaraba financing - net | 590,000 | 101,068 |
| Stock in trade | 3,170,146 | (31,641,414) |
| Trade debtors | (158,180,160) | (6,880,660) |
| Loans to employees | 65,998 | 117,998 |
| Advances, prepayments and other receivables | 6,481,675 | (24,366,508) |
| Short-term deposit | 50,000 | - |
| Receivable from Al-burg associates | 700,000 | 3,492,000 |
| Short term investment | 1,171,977 | - |
| Accrued profit | 1,271,005 | 1,747,980 |
| (Decrease) / increase in current liabilities | | |
| Deferred income | (4,161,343) | (6,051,040) |
| Creditors, accrued and other liabilities | 79,853,766 | 3,469,997 |
| Net cash generated / (used) from operating activities | (921,510) | (30,378,093) |
| Bank charges paid | (12,244) | (32,847) |
| Taxes paid | (5,253,555) | (6,324,203) |
| Net cash used in operating activities | (6,187,309) | (36,735,143) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (180,898) | (1,993,054) |
| Sale proceed on disposals of fixed assets | - | 50,000 |
| Net cash used in investing activities | (180,898) | (1,943,054) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Certificate of musharaka - issuance | 7,575,000 | 15,600,000 |
| Certificate of musharaka - redemptions | (20,625,000) | (14,625,000) |
| Profit paid to certificates of Mushraka (COM) holder | (10,226,705) | (8,487,188) |
| Profit distribution to certificate holders | (495,512) | (408,544) |
| Net cash used in financing activities | (23,772,217) | (7,920,732) |
| Net decrease in cash and cash equivalents | (30,140,424) | (46,598,929) |
| Cash and cash equivalents at beginning of the period | 46,413,056 | 78,990,927 |
| Cash and cash equivalents at end of the period | 16,272,632 | 32,391,998 |

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

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

FIRST PARAMOUNT MODARABA
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS AND THREE-MONTHS PERIOD ENDED 31 DECEMBER 2023

| | Issued, subscribed and paid up certificate capital Rupees | Reserves | | | Total Rupees | Revenue Unappropriated profit Rupees | Total Rupees |
|--|--|--------------------------|-----------------------------|-------------------|-----------------|---|-----------------|
| | | Merger reserve Rupees | Statutory reserve Rupees | Capital Rupees | | | |
| 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: | - | - | - | - | 2,666,288 | 2,666,288 | |
| Profit after taxation | - | - | - | - | 2,666,288 | 2,666,288 | |
| Other comprehensive income | - | - | - | - | (2,666,288) | - | |
| Transferred to statutory reserve @ 100% | - | - | 2,666,288 | 2,666,288 | - | 2,666,288 | |
| Balance as at 31 December 2022 (Un-audited) | 137,884,193 | 1,935,160 | 55,366,713 | 57,301,873 | 22,392,468 | 217,578,534 | |
| Total comprehensive income: | - | - | - | - | 3,873,836 | 3,873,836 | |
| Profit after taxation | - | - | - | - | 3,873,836 | 3,873,836 | |
| Other comprehensive income | - | - | - | - | (3,873,836) | - | |
| Transferred to statutory reserve @ 100% | - | - | 3,873,836 | 3,873,836 | - | 3,873,836 | |
| Balance as at 30 June 2023 (Audited) | 137,884,193 | 1,935,160 | 59,240,549 | 61,175,709 | 22,392,468 | 221,452,370 | |
| Total comprehensive income: | - | - | - | - | 14,732,992 | 14,732,992 | |
| Profit after taxation | - | - | - | - | 14,732,992 | 14,732,992 | |
| Other comprehensive income | - | - | - | - | (14,732,992) | - | |
| Transferred to statutory reserve @ 100% | - | - | 14,732,992 | 14,732,992 | - | 14,732,992 | |
| Balance as at 31 December 2023 (Un-audited) | 137,884,193 | 1,935,160 | 73,973,541 | 75,908,701 | 22,392,468 | 236,185,362 | |

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR



First Paramount Modaraba
(An Islamic Financial Institution)

**FIRST PARAMOUNT MODARABA
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2023**

1. LEGAL STATUS AND NATURE OF BUSINESS

Holding Company

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".

Subsidiary Company

A subsidiary, Paramount Compliance (Private) Limited, has been incorporated on 24 August 2023. The Modaraba has subscribed 998 ordinary shares, representing 99.8% of the share capital of the Subsidiary.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These consolidated condensed interim financial statements of the Modaraba for the six months period ended December 31, 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).

These consolidated condensed interim financial statements 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 2023. The comparative balance sheet presented has been extracted from annual financial statement for the year ended 30 June 2023, 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.

2.2 Functional and presentation currency

These consolidated condensed interim financial statements are prepared in Pakistani Rupees which is the Modaraba's functional and presentation currency and figures presented in these consolidated condensed interim financial statements have been rounded off to the nearest rupee.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies, estimates, judgments and methods of computation followed in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the published annual financial statements for the year ended 30 June 2023.

4. FINANCIAL RISK MANAGEMENT

The consolidated condensed interim financial statements 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 2023.



First Paramount Modaraba
(An Islamic Financial Institution)

| | Note | Un-audited 31 December 2023 Rupees | Audited 30 June 2023 Rupees | |
|---|------|--|-----------------------------------|-------------------|
| 5. FIXED ASSETS | | | | |
| Tangible assets | 5.1 | 11,200,247 | 12,071,508 | |
| Intangible assets | 5.2 | 250,050 | 294,176 | |
| | | 11,450,297 | 12,365,684 | |
| 5.1 Tangible assets | | | | |
| Opening net book value | | 12,071,508 | 11,873,461 | |
| Additions during the period / year | | 180,898 | 2,717,659 | |
| Disposal during the period / year | | - | (81,668) | |
| Depreciation charged during the period / year | | (1,052,159) | (2,437,944) | |
| Closing net book value | | 11,200,247 | 12,071,508 | |
| 5.2 Intangible assets | | | | |
| Opening net book value | | 294,176 | 420,251 | |
| Amortization charged during the period / year | | (44,126) | (126,075) | |
| Closing net book value | | 250,050 | 294,176 | |
| 6. MURABAHA FINANCING - SECURED | | | | |
| Considered good | | 81,274,720 | 99,799,029 | |
| Considered doubtful | 6.1 | 1,779,393 | 2,388,324 | |
| | 6.2 | 83,054,113 | 102,187,353 | |
| Less: Provision for doubtful recoveries | | (1,779,393) | (2,388,324) | |
| | | 81,274,720 | 99,799,029 | |
| Current portion of murabaha financing | 6.3 | (48,943,155) | (58,345,881) | |
| | | 32,331,565 | 41,453,148 | |
| 6.1 Movement in allowance for expected credit losses | | | | |
| Opening balance | | 2,388,324 | 2,506,985 | |
| Charge for the period / year | | - | - | |
| Reversal made during the period / year | | (608,931) | (118,661) | |
| Closing balance | | 1,779,393 | 2,388,324 | |
| 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 474.161 million (30 June 2023: Rupees 505.53 million) in aggregate. | | | | |
| These facilities have various maturity dates up to 16 May 2027. Effective profit rate on these arrangements ranges from 18% to 26% (30 June 2023: 18% to 24%). | | | | |
| 6.3 Contractual installments receivables on murabaha financing facilities: | | | | |
| | | Principal | Profit | Total |
| 31 December 2023 - Un-audited | | Rupees | Rupees | Rupees |
| Due within one year / overdue | | 40,976,408 | 7,966,747 | 48,943,155 |
| Due after one year but within five years | | 25,254,031 | 8,856,927 | 34,110,958 |
| Due after five years | | - | - | - |



First Paramount Modaraba
(An Islamic Financial Institution)

| | | |
|-------------------|-------------------|-------------------|
| 66,230,439 | 16,823,674 | 83,054,113 |
|-------------------|-------------------|-------------------|

8

Contractual receivables from murabaha financing facilities:

| 30 June 2023 - Audited | Principal Rupees | Profit Rupees | Total Rupees |
|--|-----------------------------|--------------------------|-------------------------|
| Due within one year / overdue | 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 |

| | Note | Un-audited 31 December 2023 Rupees | Audited 30 June 2023 Rupees |
|--|-------------|---|--|
| 7. DIMINISHING MUSHARAKA FINANCING - SECURED | | | |
| Considered good | | 551,153 | 683,764 |
| Less: Current portion of diminishing musharaka financing | 7.1 & 7.2 | (272,250) | (282,937) |
| | | 278,903 | 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% (30 June 2023: 22.8%) 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 (30 June 2023: Rupees 5.85 million) in aggregate.

7.2 Contractual rentals receivable from diminishing musharaka financing facilities:

| | | |
|--|----------------|----------------|
| Due within one year | 272,250 | 282,937 |
| Due after one year but within five years | 278,903 | 400,827 |
| Due after five years | - | - |
| | 551,153 | 683,764 |

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

Musharaka agreements for:

Considered good:

| | | |
|-------------------------|-------------------|-------------------|
| Food products | 12,000,000 | 12,000,000 |
| Microsoft power project | - | 2,500,000 |
| | 12,000,000 | 14,500,000 |

Considered doubtful:

| | | |
|---|-------------------|-------------------|
| Books printing - II | 13,949,054 | 14,449,054 |
| Less: Provision for doubtful recoveries | - | - |
| | 13,949,054 | 14,449,054 |

| | | |
|--|---------------------|-------------------|
| | 25,949,054 | 28,949,054 |
| Less: Current portion of musharaka financing | (13,949,054) | (16,949,054) |
| | 12,000,000 | 12,000,000 |

8.1 The combined forced sales value (FSV) of the underlying assets as security amounts to Rupees 52.6 million (30 June 2023: Rupees 52.6 million) in aggregate.

8.2 Contractual installments receivable on Musharaka financing facilities:

| | | |
|--|-------------------|-------------------|
| Due within one year | 13,949,054 | 16,949,054 |
| Due after one year but within five years | 12,000,000 | 12,000,000 |
| Due after five years | - | - |
| | 25,949,054 | 28,949,054 |



First Paramount Modaraba
(An Islamic Financial Institution)

| | Note | Un-audited 31 December 2023 Rupees | Audited 30 June 2023 Rupees |
|--|---|--|-----------------------------------|
| 9 TRADE DEBTORS - Unsecured | | | |
| Considered good | | 249,346,530 | 91,409,541 |
| Considered doubtful | | 4,684,783 | 4,441,612 |
| | | <u>254,031,313</u> | <u>95,851,153</u> |
| Allowance for expected credit losses | 9.1 | (4,684,783) | (4,441,612) |
| | | <u>249,346,530</u> | <u>91,409,541</u> |
| 9.1 Movement in allowance for expected credit losses: | | | |
| Opening balance | | 4,441,612 | 4,331,674 |
| Charge for the period / year | | 243,171 | 109,938 |
| Closing balance | | <u>4,684,783</u> | <u>4,441,612</u> |
| 10 RECEIVABLE AGAINST SALE OF AL-BURQ | | | |
| 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). | | | |
| 11. CASH AND BANK BALANCES | | | |
| Cash in hand | | 62,496 | 70,148 |
| Cash at banks | | | |
| - Current accounts | | 8,133,312 | 11,972,070 |
| - Deposit accounts | 11.1 & 11.2 | 8,076,824 | 34,370,838 |
| | | <u>16,272,632</u> | <u>46,413,056</u> |
| 11.1 | This includes Rupees 3.621 million (30 June 2023: Rupees 7.47 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 10.00% to 17.95% (30 June 2023: 4.76% to 12.18%) per annum. | | |
| 12. CERTIFICATES OF MUSHARAKA | | | |
| Opening balance | | 167,500,000 | 177,500,000 |
| Issued during the period / year | | 7,575,000 | 23,275,000 |
| Redemption made during the period / year | | (20,625,000) | (33,275,000) |
| | | <u>154,450,000</u> | <u>167,500,000</u> |
| Less: Current portion of certificates of musharaka | | (30,900,000) | (29,310,000) |
| | | <u>123,550,000</u> | <u>138,190,000</u> |



First Paramount Modaraba
(An Islamic Financial Institution)

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. Furthermore, in previous year 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). However, the Modaraba is still non-complaint with certain conditions laid down in Regulation 19 as at reporting period end and believes to ensure compliance with the same within the said interim period.

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 13.5% (30 June 2023: 7% to 12%) per annum (refer Note 12.1).

| | Note | Un-audited 31 December 2023 Rupees | Audited 30 June 2023 Rupees |
|--|------|--|-----------------------------------|
| 13. ACCRUED PROFIT ON CERTIFICATES OF MUSHARIKA | | | |
| Opening balance | | 3,613,638 | 2,198,270 |
| Add: Accrued during the year | | 9,657,907 | 18,334,637 |
| Less: Paid during the year | | <u>(10,226,705)</u> | <u>(16,919,269)</u> |
| Closing balance | | <u>3,044,840</u> | <u>3,613,638</u> |

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 statements of the Modaraba for the year ended 30 June 2023.

b) Commitments

There were no commitments outstanding as at reporting date.

| | Note | Un-audited Six-months period ended 31 December | | Un-audited Three-months period ended 31 December | |
|-----------------------------------|------|--|-------------|--|------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | Rupees | Rupees | Rupees | Rupees |
| 15. OPERATING INCOME | | | | | |
| Profit on: | | | | | |
| - murabaha financing | | 8,196,256 | 11,407,177 | 4,773,500 | 6,419,418 |
| - diminishing musharaka financing | | 70,065 | 186,414 | 33,615 | 82,477 |
| - musharaka financing | | 1,060,592 | 1,132,138 | 460,592 | 682,138 |
| Income from: | | | | | |
| - FPM Solution | 15.1 | 3,140,626 | 7,308,098 | 519,912 | 2,677,056 |
| - FPM Petro | 15.2 | 242,180,376 | 86,885,105 | 89,271,281 | 46,352,566 |
| | | 254,647,915 | 106,918,932 | 95,058,900 | 56,213,655 |

15.1 This represents income generated from project power solutions 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.

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

| | Note | Un-audited | Un-audited |
|---------------------|------|------------------|------------------|
| | | 31 December 2023 | 31 December 2022 |
| | | Rupees | Rupees |
| 16. TAXATION | | | |
| Current | 16.1 | 5,417,110 | 1,337,112 |
| Prior | | - | (47,183) |
| Deferred | 16.2 | - | - |
| | | 5,417,110 | 1,289,929 |

16.1 The charge for current taxation is based on corporate tax payable at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available if any.

16.2 Deferred tax asset as at 31 December 2023 to the extent of Rupees 0.138 million (30 June 2023: Rupees 0.47 million) has not been recognized as the Modaraba is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

17. EARNINGS PER CERTIFICATE

| | | | | |
|--|-------------------|------------|-------------------|------------|
| Profit for the period attributable to certificate holders - Rupees | 14,732,992 | 2,666,288 | 4,338,738 | 1,268,202 |
| Weighted average number of certificates - Number | 13,788,420 | 13,788,420 | 13,788,420 | 13,788,420 |
| Earnings per certificate - Rupees | 1.07 | 0.19 | 0.31 | 0.09 |

17.1 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 2023 and 31 December 2022 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, associated company and retirement benefit funds. The transactions between the Modaraba and the related parties are carried out as per agreed terms. Transactions with related parties other than remuneration and benefits to key management personnel (which are employed by the Management Company) under the terms of their employment and those which have been disclosed elsewhere are as follows:

| | Un-audited | | Nature of transactions | Un-audited | |
|------------------------------------|--------------------------------|---|--|--|------------------|
| | Relationship with the Modaraba | Name of related party | | Six-months period ended 31 December 2023 | 31 December 2022 |
| a) Transactions during the period | | | | | |
| i. | Management Company | Paramount Investments Limited | 14.26% certificate holding | 2,285,033 | 448,551 |
| | | | Expense allocated | - | - |
| | | | Payments made during the period | 1,814,471 | 1,422,071 |
| | | | Profit distributed | - | - |
| ii. | Directors | - | Rent paid | 539,928 | 466,878 |
| | | | Profit distribution | - | - |
| iii. | Staff retirement funds | Paramount Investments Limited - Employees' Provident Fund | Funded provident fund scheme | 295,526 | 299,878 |
| | | | Contribution to the Fund | - | - |
| | | | Profit paid on certificates of musharaka | - | 71,419 |
| b) Balances receivable / (payable) | | | | | |
| i. | Management Company | Paramount Investments Limited | 14.26% certificate holding | 6,126,534 | 6,893,714 |
| 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) |
| | | | Accrued profit on certificate of musharaka | (4,290) | (3,353) |

19. INFORMATION ABOUT BUSINESS SEGMENTS

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

a) Segment assets and liabilities

| | As at 31 December 2023 (Un-audited) | | | | | |
|---------------------|-------------------------------------|-------------------------|---------------------|------------------|-----------------|-----------------|
| | Financing Rupees | FPM Solutions Rupees | FPM Petro Rupees | Others Rupees | Total Rupees | Total Rupees |
| Segment assets | 182,601,092 | 8,533,865 | 344,798,952 | 189,782 | 536,123,691 | 536,123,691 |
| Segment liabilities | (92,982,845) | (15,826,267) | (191,148,673) | 23,808 | (299,933,977) | (299,933,977) |
| | | | | | | |
| | As at 30 June 2023 (Audited) | | | | | |
| | Financing Rupees | FPM Solutions Rupees | FPM Petro Rupees | Others Rupees | Total Rupees | Total Rupees |
| Segment assets | 295,974,612 | 4,466,544 | 153,192,339 | 190,691 | 453,824,186 | 453,824,186 |
| Segment liabilities | (186,476,360) | (11,218,119) | (34,700,325) | 22,988 | (232,371,816) | (232,371,816) |

b) Segment results

| | For the six-months period ended 31 December 2023 (Un-audited) | | | | | |
|----------------------------|---|-------------------------|---------------------|------------------|-----------------|-----------------|
| | Financing Rupees | FPM Solutions Rupees | FPM Petro Rupees | Others Rupees | Total Rupees | Total Rupees |
| Revenue | 9,326,913 | 3,140,626 | 242,180,376 | - | 254,647,915 | 254,647,915 |
| Profit / (loss) before tax | (14,512,900) | (490,827) | 35,158,263 | (82) | 20,154,454 | 20,154,454 |
| | | | | | | |
| | For the six-months period ended 31 December 2022 (Un-audited) | | | | | |
| | Financing Rupees | FPM Solutions Rupees | FPM Petro Rupees | Others Rupees | Total Rupees | Total Rupees |
| Revenue | 12,725,729 | 7,308,098 | 86,885,105 | - | 106,918,932 | 106,918,932 |
| Profit / (loss) before tax | (6,421,744) | 940,076 | 9,421,249 | 16,636 | 3,956,217 | 3,956,217 |



First Paramount Modaraba
(An Islamic Financial Institution)

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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