

FIRST PARAMOUNT MODARABA

(An Islamic Financial Institution)

Managed by: Paramount Investments Limited

2025



ANNUAL REPORT



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

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Mission & Vision

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



STATEMENT OF ETHICS AND BUSINESS PRACTICES

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

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

BOARD OF DIRECTORS

Mr. Tanveer Ahmed Magoon	Chairman
Mr. Syed Wajih Hasan	Chief Executive Officer
Mr. Nadeem Iqbal	Director
Mr. Abrar Ahmed	Director
Mrs. Shahida Tanweer	Director
Mr. Humayun Mazhar Qureshi	Independent Director
Mr. Habib Ahmed Navaid	Independent Director

AUDIT COMMITTEE

Mr. Habib Ahmed Navaid	Chairman
Mr. Nadeem Iqbal	Member
Mr. Abrar Ahmed	Member

HUMAN RESOURCE COMMITTEE

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

CHIEF FINANCIAL OFFICER / COMPANY SECRETARY

Mr. Syed Mudassir Ali

SHARIAH ADVISOR

Mufti Muhammad Farhan Farooq

SHARIAH CONSULTANT

Mufti Muhammad Najeeb Khan

CREDIT RATING

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

Outlook **Stable**

By **VIS Credit Rating Company Limited**

AUDITORS OF THE MODARABA

M/s Crowe Hussain Chaudhury & Co. Chartered Accountants

AUDITORS OF THE MODARABA MANAGEMENT COMPANY

M/s. Hafizullah & Co. Chartered Accountants

LEGAL ADVISOR

M/s Raja Qasit Nawaz, Advocates

BANKERS

Meezan Bank Limited

Bank Islami Pakistan Limited

Al Baraka Bank (Pakistan) Limited

Habib Metropolitan Bank Limited -Islamic Banking

Habib Bank Limited

Faysal Bank Limited

REGISTERED OFFICE

Suit # 107, 108, 1st Floor, P.E.C.H.S. Community Office Complex,
Block-2 PECHS, Shahrah-e-Quaiden, Karachi.

Phone: 34381037-38-52 & 34381101. Fax: 34534410

E-mail: info@fpm.com.pk

Web: www.fpm.com.pk

SHARE REGISTRAR

THK ASSOCIATES (PVT) LTD.

32-C, Jami Commercial Street 2,

D.H.A Phase VII, Karachi 75500

Pakistan

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Tel : +92 (021) 35310191-6

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DIRECTORS' REPORT TO THE CERTIFICATE HOLDERS OF FIRST PARAMOUNT MODARABA

The Directors of Paramount Investment Limited, Management Company of First Paramount Modaraba, are pleased to present the duly audited financial statements for the financial year ended 30 June 2025.

For the year ended 30 June 2025, the Modaraba reported a pre-tax profit of Rs. 31,979,755 as compared to Rs. 40,659,604 in the prior year, representing a decline of 21%. Net profit after tax was Rs. 23,898,201, lower by Rs. 4,644,276 (16%) compared to last year. Earnings per Certificate stood at Rs. 1.73, as against Rs. 2.07 in the preceding year.

Decline in profits from last year was primarily due to lesser economic activity in Oil & Gas Sector of the Country which translated into slight decline in profits of FPM Petro Services - in house venture of the Modaraba. This trend would not likely to continue this year. Overall, Country's economy is in state of recovery with some constant positive indicators. However, it still requires some reforms to take effect before it can get out of imminent threats.

During the year, the Modaraba made progress across multiple fronts:

- **FPM Petro Services** sustained its role as a vital business division. Through portfolio realignment, continuous addition of new products, and a focus on volume growth, the division continued to deliver positive results. With increasing activity in the local hydrocarbon exploration sector, the Board anticipates further expansion of this business segment.
- **FPM AML-CHECK**, the Modaraba's AML/CFT screening services division, significantly broadened its customer base, adding several reputable domestic clients. Although not yet profitable, the division achieved steady revenue growth and built a strong foundation for future financial contribution. The Board expects this segment to generate meaningful returns for Certificate Holders in the coming financial year.
- **Paramount Compliance (Private) Limited (PCPL)**, a wholly owned subsidiary, is expected to further strengthen AML/CFT business. Its UK-based arm, **Complytech Global Limited**, is actively exploring international markets in South Asia, Southeast Asia, Africa, and the Middle East. Though still in its early phase, this initiative supports the Modaraba's long-term international expansion strategy and is aimed at creating additional value for Certificate Holders.
- **DigiEstate**, another Project of the Modaraba, currently under SECP's Regulatory Sandbox, represents the Modaraba's strategic intent to adopt technology-driven business models. The Shariah-compliant Asset Fractionalization Platform, once successfully tested and deployed, is expected to unlock innovative investment opportunities and contribute meaningfully to profitability for the direct benefit of Certificate Holders.

As per revised Modaraba Regulations issued on 15 August 2022 by SECP, all deposit taking Modarabas were required to have a minimum equity of Rs. 500 million (FPM's is at 273.89 million) and a minimum credit rating of "A-" (FPM's rating is BBB) in a period of 3 years. Regulations also restricted issuance of dividend to Modaraba's certificate holders until compliance of these conditions are made. Accordingly, no dividend has been declared or recommended for the year ended 30 June 2025.

Modaraba is actively pursuing to achieve minimum Equity threshold and minimum Credit Rating levels to comply with the above requirements of the regulations which will also help in enhancing Modaraba's businesses further. In this regard, two distinct proposals of Equity enhancement (duly approved by the Board of Directors & Shariah Advisor of the Modaraba) have been submitted with the honourable Registrar. Additionally, Modaraba has also filed an application with honourable Registrar Modaraba or for the grant of extension in deadline for compliance in these regards.

The Board of Directors and the Management of Modaraba are fully committed to comply with the requirements of these Regulations and meeting the criteria mentioned therein.

Financial Results:

Financial results are summarized as under:

	Year ended 30 th June, 2025 (Amount in Rupees)	Year ended 30 th June, 2024 (Amount in Rupees)
Profit before other income and financial charges	50,784,772	59,461,248
Profit before tax and levy	31,979,755	40,659,604
Profit after tax	23,898,201	28,542,477
Earnings per Certificate	1.73	2.07

Compliance with Code of Corporate Governance:

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

- The financial statements prepared by the management of the Modaraba present fairly its true state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Modaraba have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements.
- The system of internal control is sound and has been effectively implemented and monitored.
- The Modaraba is financially sound and there is no reason whatsoever to doubt its ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations of Pakistan Stock Exchange.
- The Board of Directors has total 7 directors including CEO. The composition of the board is as follows:
 - Male: 6
 - Female: 1

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

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

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

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

Name of Director	Meetings Eligibility	Meeting Attended
Mr. Habib Ahmed Navaid, Chairperson	4	4
Mr. Nadeem Iqbal, Member	4	4
Mr. Abrar Ahmed, Member	4	4

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

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

Risk Management and Internal Controls

The Board acknowledges its overall responsibility for the Modaraba's risk management and internal control framework. These systems are regularly reviewed to ensure effectiveness in safeguarding assets, maintaining reliable financial reporting, and ensuring compliance with applicable laws and regulations.

Sustainability, Diversity, Equity and Inclusion (DE&I)

The Board recognises the importance of embedding sustainability considerations, including environmental, social and governance (ESG) factors, into the Modaraba's strategy and operations. In this regard, the Board continues to review the Modaraba's exposure to sustainability-related risks and opportunities, covering economic, social, regulatory and environmental dimensions, and remains committed to their effective management and mitigation.

The Board also places emphasis on diversity, equity and inclusion (DE&I) by promoting fairness, inclusivity and equal opportunity in governance and people-related practices. These principles, together with a strong focus on integrity and accountability, contribute to stakeholder confidence and institutional credibility in the near term, while supporting the Modaraba's resilience and growth over the longer horizon.

Gender Pay Gap

In accordance with SECP Circular No. 10 of 2024 dated April 17, 2024, the Board of Directors reaffirms its commitment to equitable and merit-based employment practices. The Modaraba's remuneration framework is structured to ensure that compensation is determined objectively, based on role, responsibilities, experience, and performance, without any distinction on the basis of gender or other personal attributes.

The Modaraba continually strives to maintain a workplace where no gender pay gap exists and where all employees are rewarded equitably for their contributions.

Furthermore, in compliance with SECP Circular No. 7 of 2021, the Board has approved and implemented a Gender Diversity Policy, underscoring its commitment to promoting diversity, inclusion, and equal opportunity across the Modaraba.

Pattern of Certificate Holding

The pattern and categories of certificate holders as at 30 June 2025 are presented in the Annual Report of the Modaraba.

Director Remuneration

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

Shariah Advisor's Report

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

External Auditors

On the recommendation of the Audit Committee, the Board has approved the re-appointment of the auditors M/s. Crowe Hussain Chaudhury & Co, Chartered Accountants as auditors for the year ending June 30, 2026, subject to approval of the Registrar Modaraba.

Acknowledgement

The Management and the Board of Directors express their sincere gratitude to the Registrar Modaraba, Securities and Exchange Commission of Pakistan, for their continued guidance and support.

The Board also extends its appreciation to the staff members of the Modaraba for their commitment, agility, and dedication in the timely and successful completion of assigned responsibilities.

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

Mr. Syed Wajih Hassan
Chief Executive Officer

Mr. Tanveer Ahmed Magoon
Chairman

Karachi
Dated: 01 October 2025

ڈائریکٹرز رپورٹ برائے فرسٹ پیراماؤنٹ مضاربہ سرٹیفکیٹ ہولڈرز

پیراماؤنٹ انویسٹمنٹ لمیٹڈ (جو فرسٹ پیراماؤنٹ مضاربہ کی میئنٹیننس کمپنی ہے) مضاربہ کے 30 جون 2025 کو ختم ہونے والے سال سے متعلق مالیاتی گوشوارے، ڈائریکٹرز کی جانب سے پیش کر رہے ہیں۔

مضاربہ نے اس مالی سال میں ٹیکس کٹوتی سے قبل کا منافع روپے 31,979,755 رپورٹ کیا جو گزشتہ سال کے روپے 40,659,604 کے مقابلے میں 21 فیصد کمی ظاہر کرتا ہے۔ بعد از ٹیکس خالص منافع روپے 23,898,201 رہا جو گزشتہ سال کے مقابلے میں روپے 4,644,276 (16 فیصد) کم ہے۔ فی سرٹیفکیٹ آمدنی روپے 1.73 رہی جو گزشتہ سال روپے 2.07 کے مقابلے میں کم ہے۔

گزشتہ سال کے مقابلے میں منافع میں کمی کی بنیادی وجہ ملک کے تیل و گیس کے شعبے میں کم معاشی سرگرمی تھی، جس کے نتیجے میں مضاربہ کے اندرونی منصوبے ایف پی ایم پیٹرو سروسز کے منافع میں معمولی کمی واقع ہوئی۔ یہ رجحان آئندہ سال جاری رہنے کی توقع نہیں ہے۔ مجموعی طور پر، ملک کی معیشت بحالی کے عمل میں ہے اور اس کے کچھ مثبت اشارے مسلسل ظاہر ہو رہے ہیں، تاہم معیشت کو درپیش خطرات سے مکمل طور پر نکلنے کے لیے اب بھی چند اصلاحات کے موثر نفاذ کی ضرورت ہے۔

سال کے دوران مضاربہ نے متعدد شعبوں میں نمایاں پیش رفت کی:

ایف پی ایم پیٹرو سروسز نے ایک اہم کاروباری ڈویژن کے طور پر اپنا کردار برقرار رکھا۔ پورٹ فولیو کی از سر نو ترتیب، مسلسل نئے مصنوعات کے اضافے، اور حجم میں اضافے پر توجہ کے باعث یہ شعبہ مثبت نتائج فراہم کرتا رہا۔ مقامی ہائیڈروکاربن کی تلاش کے شعبے میں بڑھتی ہوئی سرگرمیوں کے پیش نظر، بورڈ کو توقع ہے کہ یہ کاروباری شعبہ آئندہ مزید وسعت اختیار کرے گا۔

ایف پی ایم اے ایم ایل - چیک، جو مضاربہ کی ایٹمی منی لائڈرنگ / کاؤنٹرفنانسنگ آف ٹیرازم اسکریمنگ خدمات فراہم کرنے والی ڈویژن ہے، نے اپنے گاہکوں کے دائرہ کار کو نمایاں طور پر وسیع کیا اور کئی معروف ملکی اداروں کو اپنے کلائنٹس میں شامل کیا۔ اگرچہ یہ ڈویژن تاحال منافع بخش نہیں، تاہم اس نے اپنی آمدنی میں بتدریج اضافہ کیا اور مستقبل میں مالیاتی کردار ادا کرنے کے لیے مضبوط بنیاد قائم کی۔ بورڈ کو توقع ہے کہ آئندہ مالی سال میں یہ شعبہ سرٹیفکیٹ ہولڈرز کے لیے خاطر خواہ منافع فراہم کرے گا۔

پیراماؤنٹ کمپلائنس (پرائیویٹ) لمیٹڈ (پی سی پی ایل)، جو مضاربہ کی مکمل ملکیتی ذیلی کمپنی ہے، سے توقع ہے کہ یہ اے ایم ایل / سی ایف ٹی کے کاروبار کو مزید مستحکم کرے گی۔ اس کی برطانیہ میں قائم ذیلی کمپنی کمپلائنس گلوبل لمیٹڈ جنوبی ایشیا، جنوب مشرقی ایشیا، افریقہ اور مشرق وسطیٰ کی بین الاقوامی ممالک میں کاروباری مواقع تلاش کر رہی ہے۔ اگرچہ یہ منصوبہ ابھی ابتدائی مرحلے میں ہے، تاہم یہ مضاربہ کی طویل مدتی بین الاقوامی توسیعی حکمت عملی کی عکاسی کرتا ہے اور سرٹیفکیٹ ہولڈرز کے لیے اضافی قدر پیدا کرنے کے مقصد کے تحت تیار کیا گیا ہے۔

ڈی جی اسٹیٹ، جو مضاربہ کا ایک اور منصوبہ ہے اور فی الوقت ایس ای سی پی کے ریگولیٹری سینڈ باکس کے تحت ہے، مضاربہ کے اس اسٹریٹجک عزم کی نمائندگی کرتا ہے کہ وہ ٹیکنالوجی پر مبنی کاروباری ماڈلز کو اپنائے۔ شریعت کے مطابق اثاثہ فریکوئنسیزیشن پلیٹ فارم کی کامیاب جانچ اور نفاذ کے بعد یہ منصوبہ جدید سرمایہ کاری کے مواقع فراہم کرے گا اور براہ راست سرٹیفکیٹ ہولڈرز کے مفاد میں مضاربہ کے کاروباری حجم میں اضافہ کا باعث بنے گا۔

ایس ای سی پی کی جانب سے 15 اگست 2022 کو جاری کردہ نظر ثانی شدہ مضاربہ ضوابط کے مطابق، تمام ڈپازٹ لینے والے مضاربہ جات کے لیے لازمی قرار دیا گیا کہ ان کا کم از کم سرمایہ روپے 500 ملین ہو (جبکہ ایف پی ایم کا موجودہ سرمایہ روپے 273.89 ملین ہے) اور کم از کم کریڈٹ ریٹنگ "A" - "A" ہونی چاہیے، (جبکہ ایف پی ایم کی موجودہ ریٹنگ "BBB" ہے)، جو انہیں ان ریگولیشن کے لاگو ہونے کے بعد 3 سال کی مدت میں پورے کرنے ہیں۔ ان ضوابط کے تحت، سرٹیفیکیٹ ہولڈرز کو منافع (ڈیویڈنڈ) کی ادائیگی اس وقت تک ممنوع قرار دی گئی ہے جب تک یہ شرائط پوری نہیں ہوتیں۔ لہذا، سال اختتام پذیر 30 جون 2025 کے لیے کسی قسم کے منافع کی تقسیم کی تجویز یا اعلان نہیں کیا گیا۔

مضاربہ ان ضوابط کے تقاضوں پر پورا اترنے کے لیے کم از کم ایکویٹی کی حد اور کم از کم کریڈٹ ریٹنگ کے معیار کے حصول کے سلسلے میں سرگرمی سے کوششیں کر رہا ہے، جس سے مضاربہ کے کاروبار کو مزید وسعت دینے میں مدد ملے گی۔ اس ضمن میں ایکویٹی میں اضافے کی دو علیحدہ تجاویز (جو بورڈ آف ڈائریکٹرز اور مضاربہ کے شریعہ ایڈوائزر سے منظور شدہ ہیں) معزز رجسٹرار کو جمع کروادی گئی ہیں۔ مزید برآں، مضاربہ نے معزز رجسٹرار مضاربہ کے پاس ان تقاضوں پر عمل درآمد کے لیے مدت میں توسیع کی درخواست بھی جمع کروادی ہے۔

مضاربہ کے ڈائریکٹرز پر عزم ہے کہ ان ریگولیشنز کی پوری طرح پاسداری کی جائے گی اور بروقت تمام ہی شرائط کو پورا کیا جائے گا۔

مالی نتائج

مالی نتائج کا خلاصہ درج ذیل ہے:-

30 جون 2025 (رقم روپیہ میں)	30 جون 2024 (رقم روپیہ میں)	
50,784,772	59,461,248	دیگر آمدنی اور مالی چارجز سے پہلے منافع
31,979,755	40,659,604	ٹیکس سے پہلے منافع
23,898,201	28,542,477	ٹیکس کے بعد منافع
1.73	2.07	ارٹیکلز پر سرٹیفیکیٹ (ای پی سی)

کوڈ آف کارپوریٹ گورننس کے مطابق تعین

کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق، ڈائریکٹرز پر پورٹ پیش کرنے پر خوشی محسوس کر رہے ہیں کہ:-

(ا) مضاربہ کی انتظامیہ کی جانب سے تیار کردہ مالی بیانات مضاربہ کی حقیقی مالی صورتحال، آپریشنز کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کی درست عکاسی کرتے ہیں۔

(ب) مضاربہ کی مناسب اکاؤنٹنگ کتابیں برقرار رکھی گئی ہیں۔

(ج) مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مسلسل نافذ کی گئی ہیں اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔

(د) پاکستان میں قابل اطلاق بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز کی پیروی کی گئی ہے۔

(ه) اندرونی کنٹرول کا نظام مضبوط ہے اور مؤثر طریقے سے نافذ اور نگرانی کیا گیا ہے۔

(و) مضاربہ مالی طور پر مستحکم ہے اور اس کی جاری کاروبار کی صلاحیت پر کوئی شک نہیں ہے۔

(ز) پاکستان اسٹاک ایکسچینج کی فہرست سازی کے قوانین میں بیان کردہ بہترین کارپوریٹ گورننس کے طریقہ کار سے کوئی اہم انحراف نہیں ہوا۔

(ح) بورڈ آف ڈائریکٹرز میں کل 7 ڈائریکٹرز شامل ہیں، جس میں چیف ایگزیکٹو بھی شامل ہے۔

بورڈ کی تشکیل درج ذیل ہے:-

مرد: ۶

خواتین: ۱

ڈائریکٹرز کے نام

جناب تنویر احمد گلوں، چیئر مین

سید وحیہ حسن، چیف ایگزیکٹو

جناب ندیم اقبال، ڈائریکٹر

جناب ابرار احمد، ڈائریکٹر

محترمہ شاہدہ تنویر، ڈائریکٹر

جناب ہمایوں مظہر قریشی، آزاد ڈائریکٹر

جناب حبیب احمد نوید، آزاد ڈائریکٹر

جائزہ لیے گئے سال کے دوران، بورڈ آف ڈائریکٹرز کے کل چار (04) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:-

ڈائریکٹر کا نام	شرکت کی تعداد	میٹنگ کی اہلیت
جناب تنویر احمد گلوں، چیئر مین	4	4
سید وحیہ حسن، چیف ایگزیکٹو	4	4
جناب ندیم اقبال، ڈائریکٹر	4	4
جناب ابرار احمد، ڈائریکٹر	4	4
محترمہ شاہدہ تنویر، ڈائریکٹر	3	3
جناب ہمایوں مظہر قریشی، آزاد ڈائریکٹر	4	4
جناب حبیب احمد نوید، آزاد ڈائریکٹر	4	4

سال کے دوران، آڈٹ کمیٹی کے چار (04) اجلاس منعقد ہوئے۔ ہر رکن کی حاضری درج ذیل ہے:-

ڈائریکٹر کا نام	شرکت کی تعداد	میٹنگ کی اہلیت
جناب حبیب احمد نوید، چیئر پرسن	4	4
جناب ندیم اقبال، ممبر	4	4
جناب ابرار احمد، ممبر	4	4

سال کے دوران، ایک (01) ایچ آر میٹنگ منعقد ہوئی۔ ہر رکن کی حاضری درج ذیل ہے:-

ڈائریکٹر کا نام	شرکت کی تعداد	میٹنگ کی اہلیت
جناب ہمایوں مظہر قریشی، چیئر پرسن	1	1
جناب تنویر احمد گلوں، ممبر	1	1
سید وجیہ حسن، ممبر	1	1
جناب ندیم اقبال، ممبر	1	1

رسک مینجمنٹ اور اندرونی کنٹرول

بورڈ مضاربہ کے رسک مینجمنٹ اور اندرونی کنٹرول کے فریم ورک کے لیے اپنی مجموعی ذمہ داری کو تسلیم کرتا ہے۔ اثاثوں کی حفاظت، قابل اعتماد مالیاتی رپورٹنگ کو برقرار رکھنے، اور قابل اطلاق قوانین اور ضوابط کی تعمیل کو یقینی بنانے کے لیے ان نظاموں کا باقاعدگی سے جائزہ لیا جاتا ہے۔

سسٹین ایبلٹی، ڈائیورسٹی، ایکویٹی اور انکلوژن

بورڈ اس بات کو تسلیم کرتا ہے کہ سسٹین ایبلٹی سے متعلق عوامل، بشمول ماحولیاتی، سماجی اور گورننس عوامل، کو مضاربہ کی حکمت عملی اور عملی اقدامات میں شامل کرنا انتہائی اہم ہے۔ اس سلسلے میں، بورڈ مضاربہ کے سسٹین ایبلٹی سے متعلق خطرات اور مواقع کا جائزہ لیتا رہتا ہے، جس میں اقتصادی، سماجی، ضابطہ جاتی اور ماحولیاتی پہلو شامل ہیں، اور ان کے مؤثر انتظام اور کمی کے لیے پرعزم رہتا ہے۔

بورڈ ڈائیورسٹی، ایکویٹی اور انکلوژن پر بھی زور دیتا ہے، جس کے ذریعے حکمرانی اور افراد سے متعلقہ طریقہ کار میں انصاف، شمولیت اور مساوی مواقع کو فروغ دیا جاتا ہے۔ یہ اصول، دیانتداری اور جواہدہ پر مضبوط توجہ کے ساتھ، مختصر مدت میں اسٹیک ہولڈرز کے اعتماد اور ادارے کی ساکھ میں اضافہ کرتے ہیں، اور طویل مدت میں مضاربہ کی مضبوطی اور ترقی کی حمایت کرتے ہیں۔

پیٹرن آف سرٹیفیکیٹ ہولڈنگ

سرٹیفیکیٹ ہولڈرز کے پیٹرن اور زمروں کو 30 جون 2025 کی حیثیت سے مضاربہ کی سالانہ رپورٹ میں پیش کیا گیا ہے۔

ڈائریکٹرز کا معاوضہ

بورڈ یا کسی کمیٹی کے اجلاس میں شرکت کے لیے ڈائریکٹر کا معاوضہ فرسٹ پیرو امانٹ مضاربہ کی ڈائریکٹرز کمیٹی سیشن پالیسی کے تحت مقرر کیا جاتا ہے۔

شریہ ایڈوائزری رپورٹ

مضاربہ و تفاقاً اپنے شریہ ایڈوائزری، مفتی فرحان فاروق سے رہنمائی حاصل کرتا ہے تاکہ شریہ آڈٹ کے میکانزم کی مکمل تعمیل کو یقینی بنایا جاسکے، جو رجسٹرار مضاربہ کے ساتھ مشاورت کے تحت تیار کیا گیا ہے۔

بیرونی آڈیٹرز

آڈٹ کمیٹی کی سفارش پر، بورڈ نے کرو حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے دوبارہ آڈیٹرز مقرر کرنے کی منظوری دی ہے، بشرطیکہ رجسٹرار مضاربہ کی منظوری حاصل ہو۔

اعتراف

بورڈ آف ڈائریکٹرز اور انتظامیہ، مضاربہ کے رجسٹرار سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا شکریہ ادا کرتے ہیں جنہوں نے ہمیشہ رہنمائی اور تعاون فراہم کیا۔ بورڈ مضاربہ کے عملے کے ارکان کا بھی شکریہ ادا کرتا ہے جنہوں نے اپنی ذمہ داریاں بروقت اور کامیابی کے ساتھ مکمل کرنے میں اپنی محنت، مستعدی اور عزم کا مظاہرہ کیا۔

بورڈ آف ڈائریکٹرز کی طرف سے اور ان کی نمائندگی میں

پیراماؤنٹ انویسٹمنٹ لمیٹڈ

منیجرز: فرسٹ پیراماؤنٹ مضاربہ

جناب تنویر احمد گلوں

چیئرمین

جناب سید وجیہ حسن

چیف ایگزیکٹو آفیسر

کراچی

تاریخ: 01 اکتوبر 2025

Key Operating & Financial Data

Particulars	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Paid up Capital	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193
Certificate Holders Equity	215,768,010	212,606,944	213,140,985	215,574,162	208,283,126	211,160,259	214,912,246	221,452,371	249,994,848	273,893,049
Current Liabilities	89,490,384	66,711,658	103,055,448	115,966,875	107,858,491	126,082,536	99,165,780	81,505,740	94,706,885	100,150,235
Total Liabilities	294,677,925	253,252,834	231,075,013	251,369,936	238,991,697	245,794,393	251,563,255	228,216,060	223,819,519	235,388,223
Fixed Assets	34,152,161	24,617,224	24,786,815	18,753,478	17,349,264	17,196,015	12,293,712	12,365,685	13,308,344	23,425,850
Current Assets	377,680,851	348,040,978	316,175,993	320,058,362	349,137,811	364,122,055	377,876,079	382,606,770	416,119,877	466,202,665
Total Assets	510,445,965	465,859,778	444,215,971	466,944,098	447,274,823	458,275,227	466,475,500	449,668,431	473,814,367	509,281,272
Operating Profit	14,734,586	8,113,241	12,545,848	13,656,108	7,342,015	8,733,651	17,130,002	13,365,840	46,099,324	36,258,226
Profit before Tax	13,040,109	7,180,218	11,060,928	12,085,098	6,497,384	7,703,080	15,108,661	11,788,671	40,659,604	31,979,755
Taxation	-	-	195,939	-	-	-	5,151,884	5,248,547	12,117,127	8,081,554
Profit after Tax	13,040,109	7,180,218	10,864,989	12,085,098	6,497,384	7,703,080	9,956,777	6,540,125	28,542,477	23,898,201
Dividend	7.50%	7.00%	7.00%	10.00%	3.50%	4.50%	0.00%	0.00%	0.00%	0.00%
Bonus Certificate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Earning per Certificate	0.95	0.52	0.79	0.88	0.47	0.56	0.72	0.47	2.07	1.73
Break-up Value	15.65	15.42	15.46	15.63	15.11	15.31	15.58	16.06	18.13	19.86

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

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

For the Year Ended June 30, 2025

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

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

- a. Male: 6
- b. Female: 1

2. The composition of the Board is as follows:

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

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company;
4. The Management Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. Out of seven, three Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors’ training program. However, remaining directors will attain the certification in due course;
10. The Board has approved appointment of Chief Financial Officer and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee

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

b) HR and Remuneration Committee

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

c) Risk Management & Credit Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as per following:
 - a) Audit Committee**
Four quarterly meetings were held during the financial year ended 30 June 2025.
 - b) HR and Remuneration Committee**
One meeting of HR and Remuneration Committee was held during the financial year ended 30 June 2025.
15. The Board has set up an effective internal audit function (outsourced to a firm of chartered accountants) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company;
16. The statutory auditors of the Management Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Management Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with except of the following:
- The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted
 - We believed that this requirement is not mandatory as per Listed Companies Code of Corporate Governance Regulations 2019. However, the Modaraba will review this matter at the time of the next election of Independent Directors and ensure alignment with all applicable regulatory requirements.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulation are given below:

S. No	Requirement	Explanation of Non-compliance	Regulation No.
1	<p>Sustainability Committee: As per requirements of the Code, the board should oversee the company's sustainability and Diversity equity and inclusion (DE&I), adopting SECP's ESG Guidelines and ensuring policies for diversity and gender equality. They must manage sustainability risks, including climate-related ones, and review performance regularly. A dedicated committee, including at least one female director, should monitor these efforts, ensure compliance, and report annually. The director's report should cover risk management and DE&I initiatives. However, the board has not constituted such a committee as required by the regulations.</p>	<p>The Board will review the matter and ensure compliance with the aforesaid regulations, including consideration of the constitution of a separate Sustainability Committee. FPM has a Board approved Gender Diversity Policy in place. Appropriate disclosures will be included in the Directors' Report regarding the assessment and management of sustainability related risks and the measures adopted to promote diversity, equity, and inclusion within the Company.</p>	10A
2	<p>Director Training: A newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board.</p>	<p>The newly appointed Director may acquire the director training program certification in due course.</p>	19 (2)
3	<p>Qualification of Company Secretary: The same person shall not simultaneously hold office of Chief Financial Officer and the Company Secretary of a listed company.</p>	<p>Currently, the Chief Financial Officer is acting as the Company Secretary until the position is permanently filled. The Board will consider appointment of a permanent Company Secretary to ensure compliance with the aforesaid Regulation.</p>	24

TANVEER AHMED MAGOON
Chairman
Karachi: October 01, 2025



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**Independent Auditor's Review Report
To the certificate holders of First Paramount Modaraba
Review Report on the Statement of Compliance contained in Listed Companies (Code of
Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Paramount Investment Limited**, the Management Company of First Paramount Modaraba (the Modaraba), for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Modaraba's and the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Regulations require the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, for and on behalf of the Modaraba, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2025.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S. No	Paragraph reference	Description
i	6(1)	The number of independent directors appointed is less than the number prescribed by the Regulations 6 i.e., at least two or 1/3 members of the Board, whichever is higher and is not rounded up as one.
ii	6(3)	Independent directors shall be selected from the databank as per section 166 of the Companies Act, 2017. The Modaraba has appointed independent directors but their appointments were made from external sources and not from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by any institute, body or association, as may be notified by the Commission.


Crowe Hussain Chaudhury & Co.
Chartered Accountants
Karachi.

Dated: 06 OCT 2025
UDIN: CR202510207RIHYcnPu9

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Mufti Muhammad Farhan Farooq

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Phone: +92 321 2898696

المفتي محمد فرحان فاروق

خريج الجامعة دار العلوم كراتشي
المشير الشرعي للامور المالية الاسلامية
رقم التسجيل: SECP/IFD/SA/064

Serial number: FPM/ARR/001

Date: 30-09-2025

Annual Shariah Review Report from shariah advisor of First Paramount Modaraba to the Board of directors

I have conducted the Shariah review of First Paramount Modaraba managed by Paramount Investments Limited Modaraba Company for the financial year ended June 30th 2025, in accordance with the provision of Shariah governance Regulations, 2023 and guidelines issued by me. And in my opinion:

1. The Modaraba has introduced a mechanism which has strengthened the Shariah compliance in letter and spirit and the systems, procedures, policies and pool management mechanism adopted by the Modaraba are in line with the Shariah principles and rules.
2. The affairs have been carried out in accordance with Shariah principles and rules and relevant Shariah opinions and guidelines issued by me from time to time
3. I have reviewed the financing, investment, and business documents and procedures, and I found that the transactions, procedures and relevant documentation are in accordance with Shariah principles and rules.
4. No non-Shariah compliant income or penalty received during the period that requires charity.

Recommendations:

Based on the review, I recommend that FPM's management consider the following:

- Arrange regular training and development sessions for staff, management, and board members to enhance their understanding and skills in Islamic finance.
- Review and update the COM manual as necessary to ensure its relevance and effectiveness.
- Designate a specific account for charity funds to facilitate the transfer of any future realized amounts, even though no charity amounts were realized during the period under review.

Conclusion:

Based on the review of the company's operations, transactions, related documentation, Shariah Compliance Officer's report, internal Shariah audit report, and to the best of my knowledge and according to the explanations provided to me, in my opinion, the affairs of First Paramount Modaraba have been conducted in accordance with Shariah rules and principles, as prescribed in Shariah Governance Regulations.



Mufti Muhammad Farhan Farooq
Shariah Advisor
of First Paramount Modaraba
Managed By Paramount Investments Limited
Dated: September 30, 2025



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**Independent Assurance Report on Compliance
with the Shariah Governance Regulations, 2023**

To the Board of Directors of First Paramount Modaraba

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of First Paramount Modaraba (the Modaraba) for assessing compliance of the Modaraba's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2025) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

- i. Legal and regulatory framework administered by the Commission;
- ii. Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the Commission;
- iii. Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;
- iv. Guidance and recommendations of the Shariah advisory committee, as notified by Commission; and
- v. Approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Modaraba for the year ended June 30, 2025, which are annexed.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the First Paramount Modaraba with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

MC



The firm applies International Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, And Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

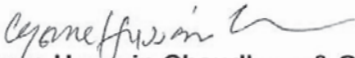
Our responsibility in connection with this engagement is to express an opinion on compliance of the Modaraba’s financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), ‘Assurance Engagements other than audits or reviews of historical financial statements’, issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Modaraba’s financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles in all material respects.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Modaraba’s compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Modaraba’s internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications are in compliance and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles. (Criteria specified in the paragraph 2 above),

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Modaraba’s financial arrangements, contracts and transactions for the year ended June 30, 2025 are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.



Crowe Hussain Chaudhury & Co.
Chartered Accountants

Imran Shaikh
October 6, 2025
Karachi



Crowe Hussain Chaudhury & Co.
Chartered Accountants
Level 4, 31-C,
Khayaban-e-Shamsheer,
Phase-V, D.H.A., Karachi, Pakistan.
Office +92 (0)21 35877806-10
www.crowe.pk

Independent Auditor's Report

To the Certificate holders of First Paramount Modaraba

Report on the Audit of the Unconsolidated financial statements

Opinion

We have audited the annexed unconsolidated financial statements of **FIRST PARAMOUNT MODARABA** ("the Modaraba"), which comprise the unconsolidated statement of financial position as at June 30, 2025, and the unconsolidated statement of profit or loss and comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated financial statements section of our report. We are independent of the Modaraba and Modaraba Company (Paramount Investments Limited) in accordance with the International Ethics Standards Board for Accountants 'Code of Ethics for Professional Accountants' as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 22.1 to the financial statements, which states that the Modaraba is non-compliant with the credit rating and minimum equity requirements as stipulated in Modaraba Regulations 2021. As fully disclosed in the aforesaid note, the extension period has lapsed on August 14, 2025 and a renewal application has been filed with the authorities which is under process. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current year. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

CHC



Following are the Key audit matters:

S. No	Key Audit Matter	How the matter was addressed in our audit
01	<p>Income from Murabaha financing</p> <p>Modaraba earns income from the murabaha financing which is its substantial income source (Refer note 21.1 to the unconsolidated financial statements). During the year, the Modaraba has recognized income of Rs. 13.23 million.</p> <p>We identified income from the murabaha financing as a key audit matter because of the potential risk that income from the murabaha financing transactions may not be accurately recorded, recognized in the appropriate period, and not properly disclosed in the unconsolidated financial statements.</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> - Obtained an understanding, including the design and implementation of internal controls over recording and processing of murabaha income. - Assessed the appropriateness of the Modaraba's accounting policy for recording of income and in line with the requirements of applicable law, accounting and reporting standards. - Matched customer contracts with the income and repayment schedule, performed recalculation on sample basis to ensure that income is appropriately recorded and also evaluated that these contracts were appropriately classified and recorded in the appropriate accounting period. - On sample basis, traced the installments received from the underlying records issued to contract holders and applied substantive analytical procedures to determine any variations. - Evaluated the income accrued but not received is appropriately classified as suspended income as per applicable modaraba regulations. - Recalculated the unearned portion of income and checked the appropriate amount has been recorded as unearned income in liabilities. <p>We also evaluated the adequacy of the overall disclosures in the unconsolidated financial statements in respect of income from murabaha financing in accordance with the requirements of applicable financial reporting framework.</p>
02	<p>Stock in trade</p> <p>(Refer note 27.1.2, amounting to Rs. 12.48 million)</p> <p>Stock-in-trade is a material balance in the financial statements. The Modaraba values its stock-in-trade at the lower of cost and net realizable value (NRV), with cost determined using the weighted average method.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> - We assessed the appropriateness of the Modaraba's accounting policies relating to stock-in-trade valuation, including the use of the weighted average method, for compliance with applicable accounting standards and Modaraba Regulations.

AMV



	<p>The application of the weighted average method requires accurate recording of purchase and consumption transactions. Further, determination of NRV involves judgment in assessing market conditions and realizability.</p> <p>Given the significance of the balance and involvement of estimation, this area was considered a key audit matter.</p>	<ul style="list-style-type: none"> - We tested the design and operating effectiveness of controls over the recording of stock transactions and valuation. - On a sample basis, we verified purchase costs to supporting invoices and recalculated weighted average cost to assess accuracy. - We evaluated the NRV assessment by reviewing subsequent sales prices and market data to ensure that stock was not carried above realizable value. - We checked whether provisions for slow-moving or obsolete stock were adequately considered. <p>We also evaluated the adequacy of the overall disclosures in the unconsolidated financial statements.</p>
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Information other than the unconsolidated financial statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and Board of Directors of the modaraba company for the unconsolidated financial statements

Management of the Modaraba Company is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and for such internal control as management of the Modaraba Company determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management of the Modaraba Company is responsible for assessing the Modaraba's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Modaraba Company either intends to liquidate the Modaraba or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Modaraba Company are responsible for overseeing the Modaraba's financial reporting process.

UAV



Auditor's responsibilities for the audit of the unconsolidated financial statements

Our objectives are to obtain reasonable assurances about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: -

- a) Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Modaraba's internal control;
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Modaraba Company;
- d) Conclude on the appropriateness of the management of the Modaraba Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Modaraba's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Modaraba to cease to continue as a going concern; and
- e) Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors of the Modaraba Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors of the Modaraba Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors of the Modaraba Company, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CM



Report on Other Legal and Regulatory Requirements

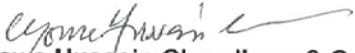
Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and are in agreement with the books of account;
- c) business conducted, investments made, expenditure incurred and guarantees extended during the year by the Modaraba were in accordance with the objects, terms and conditions of the Modaraba; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The unconsolidated financial statements for the year ended June 30, 2024 were audited by another firm of chartered accountants, who expressed an unmodified opinion on those financial statements vide their report dated October 4, 2024

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



Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Dated: 02 OCT 2025

UDIN: AR202510207fjR5IEC7K

**FIRST PARAMOUNT MODARABA
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025**

	2025	2024
ASSETS	----- (Rupees) -----	
NON-CURRENT ASSETS		
Fixed assets	5 23,281,703	13,102,420
Intangible assets	6 144,147	205,924
Long term investment	7 9,980	9,980
Murabaha financing	8 19,403,574	31,982,963
Musharaka financing	9 -	12,000,000
Loan to employees	10 231,503	385,503
Long term deposits	7,700	7,700
	43,078,607	57,694,490
CURRENT ASSETS		
Trade debtors	11 262,671,367	175,324,983
Stock in trade	12,475,079	24,102,663
Advances, prepayments and other receivables	12 34,340,715	23,126,655
Short term murabaha financing	13 4,791,668	-
Current maturity of non-current assets	14 41,883,622	57,638,094
Short term deposit	15 256,800	1,863,994
Accrued profit	16 70,332	1,532,576
Short term investment	17 23,434,916	21,308,669
Taxation - net	68,067,855	64,106,437
Cash and bank balances	18 18,210,311	47,115,806
	466,202,665	416,119,877
TOTAL ASSETS	509,281,272	473,814,367
EQUITY AND LIABILITIES		
CERTIFICATE CAPITAL AND RESERVES		
Authorised certificate capital		250,000,000
40,000,000 (2024: 25,000,000) certificates of Rupees 10/- each	400,000,000	
Issued, subscribed and paid-up certificate capital	19 137,884,193	137,884,193
Capital reserves	20 113,616,388	89,718,187
Revenue reserves	22,392,468	22,392,468
	273,893,049	249,994,848
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred income	21 3,362,988	7,962,634
Certificates of musharaka	22 131,875,000	121,150,000
	135,237,988	129,112,634
CURRENT LIABILITIES		
Creditors, accrued and other liabilities	23 28,531,267	15,273,672
Current maturity of deferred income	21 5,367,360	7,139,248
Current maturity of certificates of musharaka	22 41,500,000	47,250,000
Certificate of musharaka - matured and payable	24 2,800,000	2,800,000
Accrued profit on certificates of musharaka	25 3,331,368	3,514,280
Unclaimed profit distributions	18,620,240	18,729,685
	100,150,235	94,706,885
TOTAL LIABILITIES	235,388,223	223,819,519
TOTAL EQUITY AND LIABILITIES	509,281,272	473,814,367
CONTINGENCIES AND COMMITMENTS	26	

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 ----- (Rupees) -----	2024 -----
Income from trading operations	27	81,790,354	88,983,786
Income from murabaha financing	21.1	13,232,119	14,065,787
Income from diminishing musharaka financing		-	108,939
Income from musharaka financing		2,291,391	1,993,135
		97,313,864	105,151,647
Administrative and operating expenses	28	(46,017,578)	(45,534,739)
Provision for doubtful recoveries - net		(511,514)	(155,660)
Other income	29	7,619,110	8,194,969
		58,403,882	67,656,217
Financial charges	30	(22,145,656)	(21,556,893)
		36,258,226	46,099,324
Modaraba Management Company's remuneration	31	(3,625,823)	(4,609,932)
		32,632,403	41,489,392
Provision for Sindh Workers' Welfare Fund		(652,648)	(829,788)
Profit before levy and taxation		31,979,755	40,659,604
Levy	32	(711,691)	(621,877)
Profit before taxation		31,268,064	40,037,727
Taxation	32	(7,369,863)	(11,495,250)
Profit after taxation		23,898,201	28,542,477
Other comprehensive income		-	-
Total comprehensive income		23,898,201	28,542,477
Earnings per certificate - basic and diluted	33	1.73	2.07

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

	2025 ----- (Rupees) -----	2024 -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levy and taxation	31,979,755	40,659,604
Adjustments for non-cash items:		
Depreciation and amortization	4,281,697	2,369,720
Gain on disposal of fixed assets	(1,544,342)	(367,952)
Provision for Sindh Workers' Welfare Fund	652,648	829,788
Financial charges	22,145,656	21,556,893
Provision for doubtful recoveries - net	511,514	155,660
Bad debts written off	-	3,730,868
	26,047,173	28,274,977
	58,026,928	68,934,581
Decrease / (increase) in current assets		
Murabaha financing - net	23,950,873	39,803,857
Diminishing Musharaka financing - net	-	683,764
Musharaka financing - net	12,000,000	3,000,000
Modaraba financing - net	-	1,822,314
Stock in trade	11,627,584	13,676,459
Trade debtors	(87,346,384)	(87,646,310)
Advances, prepayments and other receivables	(10,824,060)	14,640,509
Short term deposit	225,000	2,342,806
Receivable from Al-burq associates	-	1,221,554
Short term investment	(2,126,247)	(532,254)
Accrued profit	1,462,244	962,036
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	12,604,947	5,345,815
Deferred income	(6,371,534)	(3,817,616)
Cash generated from operations	13,229,351	60,437,515
Financial charges paid	(10,034)	(52,836)
Recovery from loans to employees	226,000	173,998
Levy and income tax paid	(12,042,972)	(28,642,935)
Net cash generated from operating activities	1,402,345	31,915,742
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(15,027,361)	(3,634,427)
Investment in subsidiary	-	(9,980)
Sale proceed on disposals of fixed assets	2,172,500	690,000
Net cash used in investing activities	(12,854,861)	(2,954,407)
CASH FLOWS FROM FINANCING ACTIVITIES		
Certificates of Musharaka - issuance	35,700,000	26,375,000
Certificates of Musharaka - redemption	(30,725,000)	(25,475,000)
Paid against matured certificate of musharaka	-	(7,050,000)
Profit paid to certificates of Musharaka holders	(22,318,534)	(21,603,415)
Profit distributed to certificate holders	(109,445)	(505,170)
Net cash used in financing activities	(17,452,979)	(28,258,585)
Net (decrease) / increase in cash and cash equivalents	(28,905,495)	702,750
Cash and cash equivalents at beginning of the year	47,115,806	46,413,056
Cash and cash equivalents at end of the year	18,210,311	47,115,806

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025**

	Issued, subscribed and paid up certificate capital	Reserves				Total
		Capital		Revenue		
		Merger reserve	*Statutory reserve	Total	Unappropriated profit	
Balance as at July 1, 2023	137,884,193	1,935,160	59,240,550	61,175,710	22,392,468	221,452,371
Profit after taxation	-	-	-	-	28,542,477	28,542,477
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	28,542,477	28,542,477
Transferred to statutory reserve @ 100%	-	-	28,542,477	28,542,477	(28,542,477)	-
Balance as at June 30, 2024	137,884,193	1,935,160	87,783,027	89,718,187	22,392,468	249,994,848
Profit after taxation	-	-	-	-	23,898,201	23,898,201
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	23,898,201	23,898,201
Transferred to statutory reserve @ 100%	-	-	23,898,201	23,898,201	(23,898,201)	-
Balance as at June 30, 2025	137,884,193	1,935,160	111,681,228	113,616,388	22,392,468	273,893,049

*The statutory reserve represents profit set aside as required under the Modaraba Regulations, 2021 for Modarabas as issued by the Securities and Exchange Commission of Pakistan.

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1. LEGAL STATUS AND OPERATIONS

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

The registered office is situated at Suit No. 107- 108, First Floor, P.E.C.H.S. Community Office Complex, Block 2, Shahrah-e-Quaideen, Karachi, in the province of Sindh.

The Modaraba is engaged in 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";

The Modaraba has been assigned a credit rating of 'BBB' for the long term and 'A-3' for the short term by VIS Credit Rating Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- The requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulation 2021 and directives issued by the Securities and Exchange Commission of Pakistan (SECP);
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These unconsolidated financial statements have been prepared on the historical cost basis except for the measurement at fair value of certain financial instruments in accordance with the requirements of IFRS 9 'Financial Instrument', wherever applicable.

Permissible Islamic financial products including murabaha, musharaka and modaraba have been used by the Modaraba, the accounting and presentation of the same are in line with the substance of the transactions and their accounting is limited to the extent of actual amount of facility utilized and mutually agreed profit thereon. Accordingly, purchases, sales and musharaka profits / reserves are not reflected in these unconsolidated financial statements.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of these unconsolidated financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amounts recognized in these annual unconsolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

- Useful life and rate of depreciation of depreciable assets (refer note 4.1 & 5)
- Provision for income taxes (refer note 4.18 & 32)
- Provision (refer note 4.21)

3. Changes in accounting standards and interpretations

i) New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Modaraba's operations or are not expected to have significant impact on the Modaraba's unconsolidated financial statements other than certain additional disclosures.

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS practice statement 2 - Disclosure of accounting policies

- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract

ii) New accounting standards, amendments and IFRS interpretations that are not effective for the year ended June 30, 2025

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Modaraba's operations or are not expected to have significant impact on the Modaraba's financial statements other than certain additional disclosures;

	Effective from the accounting period beginning on or after
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026

IFRS S1 – General requirements for disclosure of sustainability – related financial information & IFRS S2 – Climate related disclosures are applicable as follows:

Phase-I

Listed companies fulfilling any two criteria (i) to (iii) below shall comply the Sustainability Disclosure Standards from annual reporting periods beginning on or after July 1, 2025:

- i) Annual turnover greater than Rs. 25 billion in last two consecutive financial years as per their financial statements; or
- ii) Number of employees (permanent and contractual) greater than 1,000 as at last financial year-end; or
- iii) Total assets greater than Rs. 12.5 billion as at last financial year-end.

Phase-II

Listed companies fulfilling any two criteria (i) to (iii) below shall comply the Sustainability Disclosure Standards from annual reporting periods beginning on or after July 1, 2026:

- i) Annual turnover greater than Rs. 12.5 billion in last two consecutive financial years as per their financial statements; or
- ii) Number of employees (permanent and contractual) greater than 500 as at last financial year-end; or
- iii) Total assets greater than Rs. 6.25 billion as at last financial year-end.

Phase-III

Listed companies (other than those falling in Phase-I and Phase-II above) and non-listed Public-Interest-Companies which are licensed or registered with the Commission shall comply the Sustainability Disclosure Standards from annual reporting periods beginning on or after July 1, 2027.

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

4.1 Fixed Assets

These are stated at cost less accumulated depreciation and impairments, if any. Cost of fixed assets consists of historical cost.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. Major renewals and improvements are capitalized while normal replacements, repairs and maintenance are charged to unconsolidated statement of profit and loss.

Depreciation is charged to profit and loss account applying the reducing balance method at the rates mentioned in note (5). Depreciation on additions and disposals during the year is charged from the date asset is available for use while no depreciation is charged from the date asset is disposed. When parts of an item of asset have different useful lives, they are accounted for as separate item in property and equipment. The residual values and useful lives are reviewed at each reporting date and adjusted, if required.

An item of fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of fixed assets are determined by comparing proceeds with the carrying amount. These are taken to the unconsolidated statement of profit and loss account currently.

4.2 Intangible assets

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

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

4.3 Loans to employees

Loans to employees are granted by Modaraba for purchasing of vehicles or for other purposes, as approved by the management on case-to-case basis. Loans granted are initially recorded at fair value. Subsequent to initial recognition, these are stated at amortized cost.

4.4 Murabaha financing

Modaraba obtains an undertaking (promise to purchase) from the client and purchases the requested assets / goods from third parties and takes possession of such goods / assets that are the subject matter of murabaha arrangements. However, the Modaraba can appoint the client as its agent to purchase the assets/goods on its behalf. Thereafter, it sells these goods / assets to the client at cost plus the profit agreed upon in the promise. Murabaha sale is recorded at the invoiced amount and profit is recognized in accordance with IFAS-1 (Murabaha) to the extent of pro-rata portion of sale price received as compared to total agreed price. Profit on the portion of sale revenue not due for payment is deferred and recognized as liability. Goods purchased by the Modaraba but remained unsold, with the Modaraba constitute inventories, if any at reporting date.

4.5 Modaraba financing

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

4.6 Musharaka financing

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

a) Diminishing musharaka

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

b) Musharaka financing

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

4.7 Financial instruments

Investments and other financial assets

a) Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Modaraba has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Modaraba reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Modaraba's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Modaraba classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in statement of profit and loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit and loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in the statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to statement of profit and loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit and loss.

Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in the statement of profit and loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Modaraba subsequently measures all equity investments except for investment in subsidiary at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Modaraba's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the unconsolidated statement of profit and loss as applicable.

Dividends from such investments continue to be recognized in statement of profit and loss as other income when the Modaraba's right to receive payments is established.

Financial liabilities

Classification and measurement

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

i) Impairment of financial assets

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

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

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

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

ii) De-recognition

a) Financial assets

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

b) Financial liabilities

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

iii) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the unconsolidated financial statements when there is a legally enforceable right to set off and the Modaraba intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.8 Investment in subsidiary company

Investments in subsidiaries is initially recognized at cost. At subsequent reporting dates, recoverable amount is estimated to determine the extent of impairment loss, if any, and carrying amount of the investment adjusted accordingly.

4.9 Cash and cash equivalents

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

4.10 Stock in trade

Stock in trade is measured at lower of cost and net realizable value as at the reporting date. Cost is determined on weighted average basis.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale. If the net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value. Provision is made in the unconsolidated financial statements for obsolete and slow-moving stock in trade based on management estimate.

4.11 Trade debtors and other receivables

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

4.12 Joint Operations (Musharaka arrangements)

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

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

4.13 Statutory reserve

Statutory reserve represents profit set aside to comply with the Prudential Regulations for Modarabas issued by the SECP vide S.R.O. 284(I)/2021 dated March 05, 2021. These Regulations require Modaraba which is not compliant with minimum equity requirements as provided in the regulations, shall create reserve fund to which shall credit an amount equivalent to 100% of its annual after-tax profit till such time the minimum equity requirements are complied with. During the year, the Modaraba transferred 100% of its after-tax profit.

4.14 Certificates of musharaka

These are measured at principal amount on balance sheet date. The amount received by the modaraba from Certificate of Investment holders is invested in the overall business activity of the modaraba on the basis of full participation in the profit or loss of the modaraba.

The profit shall be shared by Certificate of Investment holders and certificate holders in accordance with the agreed ratio. Profit on certificate of investment arrangement is recognized as financial expense in the period in which they are incurred.

Profit on Musharaka finance is accounted for on the basis of the projected rate of profit. The effect of adjustments, if any, between actual rate and projected rate of profit is accounted for at the end of each quarter after determination of the actual rate.

4.15 Creditors and other liabilities

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

4.16 Impairment of non-financial assets

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

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

4.17 Revenue recognition

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

Revenue murabaha is recognized as per the requirements of the Islamic Financial Accounting Standards (IFASs). Repayment schedule is agreed at the start. Payments are usually due over the period of contract at different dates.

- Profit / return on deposits / investments is recognized on accrual basis.

- **Murabaha profit:**

Profit on transactions under murabaha arrangements is recognized on a pro-rata basis taking into account the elapsed duration for payment of murabaha amounts payable by the customer. Profit not due for payment in the current year is deferred by accounting for unearned murabaha income with corresponding credit to deferred murabaha income which is recorded as a liability. The same is then recognized as revenue on a time proportionate basis as and when the due dates approach for payment of recoverable amounts by the customers.

- Musharaka management fee is recognized on accrual basis.
- Profit on musharaka financing is recognized on declaration of profit by musharaka partners on accrual basis.
- Realized capital gains / (losses) arising on sale of investments are included in the profit and loss account on the date at which the transaction takes place.
- Dividend income is recognized when the right to receive the dividend is established.

4.18 Taxation and levy

Current

Provision for current taxation is based on taxable income for the year at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. Tax charge for the current year is determined in accordance with the prevailing laws for taxation. The charge for current tax is calculated using tax rates enacted or substantively enacted at the reporting date. The charge for the current tax also includes adjustments relating to prior years, if necessary, arising from assessments finalized during the year.

Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the tax base used in computation of the taxable profit. Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit and loss as these levies fall under the scope of IFRIC 12/IAS 37.

4.19 Operating segments

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

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

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

4.20 Employee benefits

a) Defined contribution plan

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

b) Compensated absences

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

4.21 Provisions

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

4.22 Profit distributions and appropriations

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

4.23 Certificate capital and earning per certificate

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

4.24 Contingencies

Contingencies are disclosed when the Modaraba has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not recognized because it is not probable that an outflow of recourse embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

4.25 Related party transactions

All related party transactions are carried out by the Company on arm's length basis.

4.26 Deposits, advances, prepayments and other receivables

Deposits, advances, prepayments and other receivables are stated initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

5. FIXED ASSETS	2025		Note	2024		
	----- (Rupees) -----			----- (Rupees) -----		
Owned assets						
5.1 Owned assets	JUNE 30, 2025					
	Generators-Own use	Computers	Office and other equipments	Furnitures and fixtures	Vehicles	Total
	66,153	995,163	2,046,348	2,047,886	7,946,870	13,102,420
Year ended June 30, 2025	----- (Rupees) -----					
At beginning of the year	-	-	-	(15,000)	(1,958,000)	(1,973,000)
Disposals:	-	-	-	10,830	1,334,012	1,344,842
- Cost	-	-	-	(4,170)	(623,988)	(628,158)
- Accumulated depreciation	-	798,798	22,000	419,750	13,786,813	15,027,361
Additions - at cost	(6,615)	(444,199)	(235,710)	(215,658)	(3,317,738)	(4,219,920)
Depreciation charge	59,538	1,349,762	1,832,638	2,247,808	17,791,957	23,281,703
Carrying amount						
As at June 30, 2025	331,718	3,559,477	4,324,915	5,113,624	24,343,464	37,673,198
Cost	(272,180)	(2,209,715)	(2,492,277)	(2,865,816)	(6,551,507)	(14,391,495)
Accumulated depreciation	59,538	1,349,762	1,832,638	2,247,808	17,791,957	23,281,703
Carrying amount						
Rate of depreciation (%) per annum	10	30	10-20	10	20	

6. INTANGIBLE ASSETS	Note	2025 ----- (Rupees) -----	2024 -----
Year ended June 30,			
At beginning of the year		205,924	294,176
Amortization charge for the year		(61,777)	(88,252)
Carrying amount		144,147	205,924
As at June 30,			
Cost		2,976,738	2,976,738
Accumulated amortization		(2,832,591)	(2,770,814)
Carrying amount		144,147	205,924
Rate of amortization per annum (%)		30	30
7. LONG TERM INVESTMENT			
In subsidiary- at cost			
Investment in Paramount Compliance (Private) Limited	7.1	9,980	9,980
7.1 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.			
8. MURABAHA FINANCING - SECURED			
	Note	2025 ----- (Rupees) -----	2024 -----
Considered good		48,346,558	76,717,344
Considered doubtful		256,661	2,115,568
Suspended income	8.7	(1,146,416)	(1,255,341)
		47,456,803	77,577,571
Less: Provision for doubtful recoveries	8.4	(256,661)	(2,115,568)
		47,200,142	75,462,003
Less: Current portion		(27,796,568)	(43,479,040)
Non-current portion		19,403,574	31,982,963
8.1 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 Rs. 216.913 million (2024: Rs. 373.947 million) in aggregate.			
8.2 These facilities have various maturity dates up to September 28, 2027. Effective profit rate on these arrangements ranges from 10.5% to 15% (2024: 18% to 26%).			
8.3 As fully explained in note 4.7 the Modaraba applies IFRS-9 Expected Credit Loss (ECL) model to evaluate the provisioning impact.			

8.4 Movement in provision for doubtful recoveries

	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----
Opening balance	2,115,568	2,388,324
Charge for the year	-	367,425
Reversal made during the year	(480,680)	(640,181)
Write off during the year	(1,378,227)	-
	(1,858,907)	(272,756)
Closing balance	256,661	2,115,568

8.5 Contractual installments receivable on Murabaha financing facilities:

	Principal	Profit	Total
	----- (Rupees) -----		
2025			
Overdue	256,661	-	256,661
Due within one year	22,627,784	5,168,784	27,796,568
Due after one year but within five years	16,040,586	3,362,988	19,403,574
Due after five years	-	-	-
	38,925,031	8,531,772	47,456,803

	Principal	Profit	Total
	----- (Rupees) -----		
2024			
Overdue	2,115,568	-	2,115,568
Due within one year	36,339,792	7,139,248	43,479,040
Due after one year but within five years	22,584,921	9,398,042	31,982,963
Due after five years	-	-	-
	61,040,281	16,537,290	77,577,571

8.6 The above except for overdue balance represents installments receivable by the Modaraba in future years in respect of Murabaha financing facilities given under long-term arrangements.

8.7 Suspended income

	Note	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----
Opening balance		1,255,341	766,692
Reversal of suspended income	21.1	(500,394)	
Transferred to suspense income	21.1	967,255	488,649
Write off during the year		(575,786)	
Closing balance		1,146,416	1,255,341

9. MUSHARAKA FINANCING - SECURED

Musharaka agreements for:

Considered good:

Food products	9.1	-	12,000,000
		-	12,000,000

Considered doubtful:

Books printing - II	9.2	13,949,054	13,949,054
Less: Provision for doubtful recoveries	9.4	-	-
		13,949,054	25,949,054
Less: Current portion of musharaka financing		(13,949,054)	(13,949,054)
		-	12,000,000

- 9.1** The Modaraba has entered into a Musharaka arrangement with Musharaka partner for distribution of food products like milk, biscuits etc. The Modaraba's share of investment is 30% of the total financing required by Musharaka partner and profit on investment is shared in the ratio of 65:35 (2024: 65:35) between Modaraba and Musharaka partner respectively. This financing is secured by way of mortgage of property. The financing has been matured and settled during the year.
- 9.2** During the preceding years, the Modaraba signed a Musharaka arrangement amounting to Rs. 20 million for printing of 272,766 books with a Musharaka partner. The profit on the investment is shared in the ratio of 64.09:35.91 (2024: 64.09:35.91) between Modaraba and the Musharaka partner respectively. The financing is secured by way of mortgage of immoveable property. This arrangement was fulfilled in prior years and the Modaraba is in process to recover the principle and profit share as per agreement, from the Musharaka partner.
- 9.3** The forced sales value (FSV) of the underlying assets as security against musharaka financing amounts to Rs. 37.32 million (2024: Rs. 105.14 million) in aggregate.
- 9.4** No provision has been recognized due to the availability of the forced sale value benefit of the collateral held as security against financing. Furthermore, as fully explained in note 4.7 the Modaraba also applies Expected Credit Loss (ECL) model to evaluate the provisioning impact. Consequently, as per the ECL model under IFRS 9, the impairment impact is materially same to the provisioning requirements under Modaraba Regulations, 2021.

	2025	2024
	----- (Rupees) -----	
9.5 Contractual installments receivable on Musharaka financing facilities:		
Due within one year	13,949,054	13,949,054
Due after one year	-	12,000,000
	<u>13,949,054</u>	<u>25,949,054</u>

10. LOAN TO EMPLOYEES - SECURED

Loan to employees	369,503	595,503
Less: Current portion of loan to employees	(138,000)	(210,000)
	<u>231,503</u>	<u>385,503</u>

- 10.1** This represents profit free personal loans provided to employees of Modaraba ranging from Rs. 0.03 million to Rs. 0.5 million. These are repayable over a maximum period of 10 years and secured against their provident fund balance.

	2025	2024
	----- (Rupees) -----	
11. TRADE DEBTORS - UNSECURED		
Considered good	262,671,367	175,324,983
Considered doubtful	469,825	469,825
	<u>263,141,192</u>	<u>175,794,808</u>
Less: Allowances for expected credit loss		
Balance as at July 1,	469,825	4,441,612
Recognized during the year	-	428,416
Bad debts written off during the year	-	(4,400,203)
Balance as at June 30,	469,825	469,825
	<u>262,671,367</u>	<u>175,324,983</u>

11.1 Ageing analysis of trade debtors are as follows:

Not yet due	237,289,640	164,972,809
Upto 30 days	21,129,078	4,290,308
31 to 90 days	2,396,903	6,112,191
91 days to 180 days	-	-
More than 180 days	2,325,571	419,500
	<u>263,141,192</u>	<u>175,794,808</u>

12. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Advance against purchase of stock	2,112,199	-
Advance against expenses	4,306,029	114,914
Advance against salaries	-	58,000
Short-term prepayments	686,534	704,364
Sales tax receivable	8,087,851	5,914,484
Due from AML project	15,637,114	14,754,723
Other receivables	3,510,988	1,580,170
	<u>34,340,715</u>	<u>23,126,655</u>

- 12.1** This includes operational expenses borne by the Modaraba on behalf of the AML project. The Modaraba has entered into an arrangement with an individual to engage in a business segment under the name and style of "FPM AML/CFT Solutions," serving the corporate and financial sector. The Modaraba is responsible for managing the project's operations as the "Modarib" and may temporarily advance upto Rs. 16 million to the project, while the other party is responsible for investing in the project as the "Rabb-ul-Maal." The net profit from this contract is shared between the Modarib and Rabb-ul-Maal in a ratio of 60:40 respectively. The movement in balance due to / (from) AML project is as under:

	2025 ----- (Rupees) -----	2024 -----
Opening balance	14,754,723	8,693,703
Add: Payments made during the year	18,387,571	23,242,478
Less: Recovered from the project	<u>(17,505,180)</u>	<u>(17,181,458)</u>
Closing balance	<u>15,637,114</u>	<u>14,754,723</u>

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

- 12.2** This includes Rs. 1.2 million deducted directly from the bank account of the Modaraba on the instruction of the Federal Board of Revenue (FBR) vide letter no. CIR/Zone-1/CRTD/KHI/2016/2544 dated December 15, 2016 on account of non deduction of withholding tax. (refer Note 26).

	2025 ----- (Rupees) -----	2024 -----
13. SHORT TERM MURABAHA FINANCING - SECURED		
Considered good	4,791,668	-
Considered doubtful	-	-
	<u>4,791,668</u>	<u>-</u>
Less: Provision for doubtful recoveries	-	-
	<u>4,791,668</u>	<u>-</u>

- 13.1** Murabaha sale price is receivable in installments. Effective profit rate on these arrangements ranges from 15% (2024: 11% to 14%) per annum receivable on agreed terms. These financing are secured by way of mortgage of properties, hypothecation of goods and demand promissory notes. The forced sales value (FSV) of the underlying assets as security amounts to Rs. 219.96 million (2024: Nil) in aggregate.

		2025 ----- (Rupees) -----	2024 -----
14. CURRENT PORTION OF NON-CURRENT ASSETS	Note		
Current portion of murabaha financing	8	27,796,568	43,479,040
Current portion of musharaka financing	9	13,949,054	13,949,054
Current portion of loans to employees	10	138,000	210,000
		<u>41,883,622</u>	<u>57,638,094</u>

15. SHORT-TERM DEPOSIT

Deposits		2,738,994	2,963,994
Less: Provision for doubtful recoveries	15.1	<u>(2,482,194)</u>	<u>(1,100,000)</u>
		<u>256,800</u>	<u>1,863,994</u>

15.1 Movement in provision for doubtful recoveries

Balance as at July 01,		1,100,000	-
Charge for the year		1,382,194	1,100,000
Balance as at June 30,		<u>2,482,194</u>	<u>1,100,000</u>

16. ACCRUED PROFIT	Note	2025 ----- (Rupees) -----	2024 -----
Profit receivable on musharaka financing		-	949,377
Profit receivable on bank deposits		70,332	583,199
		70,332	1,532,576

17. SHORT TERM INVESTMENT

At fair value through profit or loss

Pak Qatar-daily dividend plan	17.1	23,434,916	21,308,669
-------------------------------	------	-------------------	------------

17.1 Movement in short term investment

Opening balance		21,308,669	20,776,415
Add:Purchase during the year		-	-
Add: Dividend Reinvested (Dividend-net of tax)		2,126,247	3,532,254
Less: Redemption during the year		-	(3,000,000)
Closing balance		23,434,916	21,308,669

This represents investment in a mutual fund comprising 234,349.16 units (2024: 213,087 units) at NAV of Rs. 100 per unit (2024: Rs. 100 per unit).

18. CASH AND BANK BALANCES	Note	2025 ----- (Rupees) -----	2024 -----
Cash in hand		64,533	87,672
Cash at banks			
- Current accounts			
- State Bank of Pakistan		31,318	34,188
- Other banks	18.1	8,746,725	9,095,938
- Deposit accounts	18.2 & 18.3	9,367,735	37,898,008
		18,210,311	47,115,806

18.1 This include Rs. 0.213 million (2024: Rs. 0.563 million) in respect of FPM-AML project. (refer Note 12.1).

18.2 This includes Rs. 3.012 million (2024: Rs. 5.166 million) in respect of Redemption Reserve Fund established on account of Certificate of Musharaka.

18.3 These carries profit rate in respect of deposit accounts ranging from 4.5% to 9.2% (2024: 11.01% to 21.55%) per annum.

19. ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

2025 (Number of certificates)	2024	2025 ----- (Rupees) -----	2024 -----
11,989,930	11,989,930	119,899,298	119,899,298
1,798,490	1,798,490	17,984,895	17,984,895
13,788,420	13,788,420	137,884,193	137,884,193

19.1 As at June 30, 2025, Paramount Investments Limited (the Management Company) holds 14.26% (2024: 14.26%) representing 1,965,768 certificates (2024: 1,965,768 certificates) of the Modaraba.

20. CAPITAL RESERVES	Note	2025 ----- (Rupees) -----	2024 -----
Statutory reserve	20.1	111,681,228	87,783,027
Merger reserve	20.2	1,935,160	1,935,160
		<u>113,616,388</u>	<u>89,718,187</u>

20.1 Statutory reserve represents profit set aside to comply with the Modaraba Regulations issued by the SECP vide S.R.O. 284(I)/2021 dated March 05, 2021. These Regulations require Modaraba which is not compliant with minimum equity requirements as provided in the regulations, shall create reserve fund to which shall credit an amount equivalent to 100% of its annual after-tax profit till such time the minimum equity requirements are complied with. During the year, the Modaraba transferred 100% of its after tax profits amounting to Rs. 23.89 million (2024: Rs. 28.54 million).

20.2 In accordance with decision of the Honourable High Court of Sindh as on December 08, 2004, the First National Modaraba (FNM) was merged with the Modaraba. The Modaraba received a sum of Rs. 10.57 million from FNM, including Rs. 8.66 million as a certificate capital and Rs. 1.94 million as capital reserve.

21. DEFERRED INCOME	Note	2025 ----- (Rupees) -----	2024 -----
Deferred murabaha income	21.1	8,730,348	15,101,882
		8,730,348	15,101,882
Less: Current maturity of deferred income		(5,367,360)	(7,139,248)
		<u>3,362,988</u>	<u>7,962,634</u>

21.1 Deferred murabaha income

Balance as at 01 July	15,101,882	18,919,498
Add: Deferred income for the year	7,327,446	10,736,820
Less: Income recognized during the year	(13,232,119)	(14,065,787)
Less: Transferred to suspense income	(967,255)	(488,649)
Add: Reversal of suspended income	500,394	-
Balance as at 30 June	<u>8,730,348</u>	<u>15,101,882</u>

22. CERTIFICATES OF MUSHARAKA

Balance as at July 01,	168,400,000	167,500,000
Issued during the year	35,700,000	26,375,000
Redeemed during the year	(30,725,000)	(25,475,000)
	<u>173,375,000</u>	<u>168,400,000</u>
Less: current maturity of certificates of musharaka	(41,500,000)	(47,250,000)
Balance as at June 30,	<u>131,875,000</u>	<u>121,150,000</u>

22.1 In accordance with the Modarabas Regulations 2021 (the "Regulations") issued by the SECP through S.R.O. 284(I)/2021 dated March 5, 2021, the authority to issue Certificates of Musharaka (COM) by a Modaraba will be automatically suspended if the Modaraba becomes non-compliant with any of the conditions outlined in Regulation 19 of the Regulations. However, existing Modarabas with valid permissions to issue COM, which are non-compliant, are required to achieve compliance within one year of the effective date of these regulations provided that, during this one-year interim period, the total COM of such Modarabas will be capped at the existing level, i.e., the outstanding balance as of the date the regulations came into force.

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

As the extended timelines has also lapsed on August 14, 2025 and the Modaraba is non-compliant with the credit rating and minimum equity requirements as outlined in Regulations 17 and 19, the Modaraba has formally filed renewal application with the Registrar Modaraba. Based on the correspondence with the Regulator, the management is confident that the renewal application would be accepted in favor of Modaraba.

22.2 These certificates have different denominations and are repayable within three months to five years. The expected share of profit on these certificates ranges from 9.5% to 14.5% (2024: 8.5% to 14.5%) per annum.

22.3 A Redemption Reserve Fund is established on account of Certificate of Musharaka (refer Note 17 & 18.2).

23. CREDITORS, ACCRUED AND OTHER LIABILITIES	2025	2024
	----- (Rupees) -----	
Due to associated undertakings	105,019	286,837
Creditors	18,080,085	4,314,680
Accrued expenses	1,973,269	1,843,534
Sindh workers' welfare fund	3,162,840	2,510,191
Withholding income tax	3,117,495	3,287,505
Share of modarib payable under FPM petro	-	1,915,687
Payable to provident fund	36,127	-
Others	2,056,432	1,115,238
	<u>28,531,267</u>	<u>15,273,672</u>

24. CERTIFICATE OF MUSHARAKA - MATURED AND PAYABLE

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

25. ACCRUED PROFIT ON CERTIFICATES OF MUSHARAKA	2025	2024
	----- (Rupees) -----	
Balance as at July 01,	3,514,280	3,613,638
Add: Accrued during the year	22,135,622	21,504,057
Less: Paid during the year	(22,318,534)	(21,603,415)
Balance as at June 30,	<u>3,331,368</u>	<u>3,514,280</u>

26. CONTINGENCIES AND COMMITMENTS

a) Contingencies

Name of the court, agency or authority	Description of the proceedings and relief sought	Principle Parties	Date instituted	
i	Commissioner Inland Revenue	During the prior year, the Sindh Revenue Board (SRB) has raised accumulated demand of Rs. 7.06 million vide orders 629 of 2019, 632 of 2019, 635 of 2019 and 636 of 2019 dated July 19, 2019, July 23, 2019, July 25, 2019 and July 29, 2019, on the grounds that the Modaraba's activities fall under tariffs 9809, 9822, 9822.2 and 9822.3 of Second Schedule of the Sindh Sales Tax on Services Act, 2011 (the Act).The Assistant Commissioner of Sindh Revenue Board (SRB) after providing opportunity of being heard to Modaraba, issued order vide 915 dated April 27, 2022, whereby the Commissioner demanded the sales tax and penalty amounting to Rs. 14.81 million and 0.63 million respectively for the tax periods July 2011 to June 2017 on account of non-chargeability of Sindh Sales Tax against services. The modaraba has filed appeal before the Commissioner Appeals SRB and did not record any provision for this matter, as their tax advisor is confident that the pending appeal will be decided in the modaraba's favour.	Sindh Revenue Board and Modaraba	July 19, 2019

	Name of the court, agency or authority	Description of the proceedings and relief sought	Principle Parties	Date instituted
ii	Commissioner Inland Revenue	<p>The Modaraba received a show cause notice C. No. DCIR/Unit-05/R-CTK-25-0983/Zone-II/CTO/KHI/48 dated April 28, 2025 under section 11(E) of the Sales Tax Act 1990, relating to input tax adjustments claimed during the tax period from July 2021 to March 2025.</p> <p>The Modaraba submitted written replies against the show cause notice. Subsequently, the CIR passed an order claiming the input tax of Rs. 18.62 million along with penalty of Rs. 18.62 million under section 33(11) and a default surcharge (to be calculated at the time of final payment).</p> <p>The Modaraba, has filed an appeal under section 45-B of the Sales Tax Act 1990 against the Order-in-Original 162 dated June 18, 2025. Considering the factual position and based on the advice of the tax counsel, the management is confident of a positive outcome and hence no accrual has been recorded in the books of accounts.</p>	Federal Board of Revenue and Modaraba	April 28, 2025

	Name of the court, agency or authority	Description of the proceedings and relief sought	Principle Parties	Date instituted
iii	Commissioner Inland Revenue	An amount of Rs. 1.2 million has been deducted from the bank account of the Modaraba on the instructions of the FBR vide letter #CIR/Zone-1/CRTO/Khi/2016/2544 dated December 15, 2016 on account of non deduction of withholding tax. The matter was taken to Commissioner Inland Revenue (Appeal III), Karachi who remanded back the case to the officer with directions to provide an opportunity of being heard to the Appellant. The worthy Commissioner in its Order vide no. 26/2017 dated January 26, 2017 has remanded the matter to the revenue. Management is confident that the deducted amount will be refunded, therefore, no expense has been booked in this regard.	Sindh Revenue Board and Modaraba	December 15, 2016

b)	Commitments	Note	2025	2024
			----- (Rupees) -----	-----
	Letter of Guarantees		-	124,300
27.	INCOME FROM TRADING OPERATIONS			
	Income from:			
	- FPM Petro	27.1	81,790,354	86,884,917
	- FPM Solution	27.2	-	2,098,869
			81,790,354	88,983,786

		2025	2024
	Note	----- (Rupees) -----	
27.1 Income from FPM petro			
Revenue - net	27.1.1	580,407,261	548,977,083
Less: Direct costs			
Cost of sales	27.1.2	425,083,257	410,616,724
Transportation charges		27,507,815	3,580,888
Labour charges		1,582,840	1,926,712
Lab testing		72,850	189,850
Share of modarib		44,370,145	45,777,992
		498,616,907	462,092,166
		81,790,354	86,884,917
27.1.1	This represents revenue (net of sales tax) generated from chemical business of FPM Petro Services. Sales tax charged on sales tax invoices issued during the year in aggregate amounted to Rs. 104.26 million (2024: Rs. 99.44 million).		
27.1.2 Cost of sales		2025	2024
		----- (Rupees) -----	
Opening stock		24,102,663	37,779,122
Purchases		413,455,673	396,940,265
Less: closing stock		(12,475,079)	(24,102,663)
Cost of sales		425,083,257	410,616,724
27.2 Income from FPM solution			
Revenue - net		-	3,974,177
Less: cost of revenue		-	1,875,308
		-	2,098,869
27.2.1	This represents revenue (net of Sindh Sales Tax on Services) generated from project power solution business of FPM Solutions. This includes income from Service Level Agreements (SLA) entered into by FPM Solutions with the client to provide services in respect of stand by generators, UPS and other power back up solutions. Sindh sales tax on services charged on sales tax invoices issued during the year in aggregate amounted to Nil (2024: Rs. 0.424 million).		
28. ADMINISTRATIVE AND OPERATING EXPENSES	Note	2025	2024
		----- (Rupees) -----	
Salaries, allowances and benefits	28.1	20,836,502	18,859,762
Utilities		1,759,309	2,338,144
Repairs and maintenance		677,296	593,498
Takaful		1,602,097	609,676
Rent, rates and taxes	28.2	3,133,236	2,597,253
Travelling and conveyance		4,201,956	5,057,948
Communications		794,843	1,209,488
Printing and stationery		396,989	407,950
Auditors' remuneration	28.3	1,047,622	840,000
Legal and professional		865,110	427,360
Fees and subscriptions		4,874,436	4,809,236
Bad debts written-off		-	3,730,868
Stock in trade- written off		-	113,480
News papers and periodicals		11,260	9,560
Advertisement and publicity		72,000	36,000
Depreciation and amortization		4,281,697	2,369,720
Loss on disposal of fixed asset		-	-
Others		1,463,225	1,524,796
		46,017,578	45,534,739
28.1	Salaries, allowances and benefits include 0.67 million Rs. (2024: Rs. 0.64 million) on account of the Modaraba's contribution to the staff provident fund.		

28.2 This includes Rs. 1.13 million charge by director (2024: Rs. 1.05 million) in respect of rent for office premises.

28.3 Auditors' remuneration	2025	2024
	----- (Rupees) -----	
Statutory audit fee	504,815	504,815
Half yearly review fee	118,148	118,148
Certification fee	102,037	102,037
Annual shariah audit fee	130,000	-
Consolidation fee	115,000	115,000
SST	77,622	-
	1,047,622	840,000

29. OTHER INCOME

Financial assets - shariah compliant

Profit on bank deposits	2,218,006	3,681,168
Dividend income	2,846,762	4,145,849
Other	1,010,000	-

Non-financial assets

Others	1,544,342	367,952
	7,619,110	8,194,969

30. FINANCIAL CHARGES

Profit on certificates of musharaka	22,135,622	21,504,057
Bank charges	10,034	52,836
	22,145,656	21,556,893

31. MODARABA COMPANY'S MANAGEMENT FEE

The Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the annual net profits of the Modaraba. The fee for the year ended June 30, 2025 has been recognized at 10% (2024: 10%) of profit for the year.

32. LEVY AND TAXATION	Note	2025	2024
		----- (Rupees) -----	
Levy	32.1	711,691	621,877
Taxation	32.2	7,369,863	11,495,250
		8,081,554	12,117,127

32.1 This represents portion of final tax paid under Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

32.2 TAXATION

	Note	2025	2024
		----- (Rupees) -----	
Current tax		7,531,912	10,881,326
Prior year tax		(162,049)	613,924
		7,369,863	11,495,250
Deferred tax	32.3	-	-
		7,369,863	11,495,250

Relationship between accounting profit and tax expense	Note	2025 ----- (Rupees) -----	2024 -----
Accounting profit		31,268,064	40,037,727
Tax at applicable rate of 29%		9,067,739	11,610,941
Effect of:			
Accelerated depreciation		67,374	24,292
Provision for expected credit loss		35,609	35,581
Prior year		(162,049)	613,924
Other		(1,638,810)	(789,488)
		7,369,863	11,495,250

32.3 DEFERRED TAX (ASSET) / LIABILITY

Deferred tax asset comprises of:

(Deductible) temporary differences on:

Murabaha financing	(118,978)	(177,621)
Trade debtors	(122,790)	(122,693)
Creditors, accrued and other liabilities	(1,641,387)	(1,514,043)
	(1,883,155)	(1,814,356)

Deferred tax liability comprises of:

Taxable temporary differences on:

Fixed assets	566,986	594,985
	(1,316,169)	(1,219,371)
Unrecognized deferred tax asset	1,316,169	1,219,371
As at 30 June	-	-

32.4 Deferred tax asset as at June 30, 2025 to the extent of Rs. 1.32 million (June 30, 2024: Rs. 1.22 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.

33. EARNINGS PER CERTIFICATE - BASIC AND DILUTED

	2025	2024
Profit for the year (Rupees)	23,898,201	28,542,477
Weighted average number of certificates	13,788,420	13,788,420
Earnings per certificate - basic and diluted (Rupees)	1.733	2.070

33.1 There is no dilutive effect on the basic earnings per certificate of the Modaraba, since there are no convertible instruments in issue as at June 30, 2025 (2024: Nil) which would have any effect on the earnings per certificate if the option to convert is exercised.

34. CHANGES ARISING FROM FINANCING ACTIVITIES

2025	July 1, 2024	Financing cash inflows	Financing cash outflows	Non Cash changes	June 30, 2025
	----- (Rupees) -----				
Unclaimed profit distributions	<u>18,729,685</u>	-	<u>(109,445)</u>	-	<u>18,620,240</u>
Accrued profit on certificates of musharaka	<u>3,514,280</u>	-	<u>(22,318,534)</u>	<u>22,135,622</u>	<u>3,331,368</u>
COM matured parties	<u>2,800,000</u>	-	-	-	<u>2,800,000</u>
Certificates of musharaka	<u>168,400,000</u>	<u>35,700,000</u>	<u>(30,725,000)</u>	-	<u>173,375,000</u>
	----- (Rupees) -----				
2024	July 1, 2023	Financing cash inflows	Financing cash outflows	Non Cash changes	June 30, 2024
	----- (Rupees) -----				
Unclaimed profit distributions	<u>19,234,855</u>	-	<u>(505,170)</u>	-	<u>18,729,685</u>
Accrued profit on certificates of musharaka	<u>3,613,638</u>	-	<u>(21,603,415)</u>	<u>21,504,057</u>	<u>3,514,280</u>
COM matured parties	<u>9,850,000</u>	-	<u>(7,050,000)</u>	-	<u>2,800,000</u>
Certificates of musharaka	<u>167,500,000</u>	<u>26,375,000</u>	<u>(25,475,000)</u>	-	<u>168,400,000</u>

35. REMUNERATION OF OFFICERS AND OTHER EMPLOYEES

	2025		2024	
	Officers	Other employees	Officers	Other employees
	----- (Rupees) -----		----- (Rupees) -----	
Managerial remuneration	<u>6,296,462</u>	<u>8,676,410</u>	5,833,219	8,507,924
Allowances	<u>891,754</u>	<u>2,950,581</u>	785,694	2,123,248
Provident fund	<u>314,823</u>	<u>363,164</u>	307,451	331,662
EOBI	<u>88,800</u>	<u>226,200</u>	14,520	238,180
Others	<u>127,012</u>	<u>901,296</u>	2,387	715,477
	<u>7,718,852</u>	<u>13,117,650</u>	6,943,271	11,916,491
Number of person	<u>4</u>	<u>13</u>	4	13

35.1 Three officers are provided free use of the Modaraba's cars including fuel and insurance.

35.2 No remuneration paid to the directors of the Modaraba Management Company for the year ended June 30, 2025 (2024: Nil).

36. TRANSACTION WITH RELATED PARTIES

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

Relationship with Modaraba	Name of Related Party	Basis of relationship	Nature of transaction	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----
Transactions during the year:					
i.	Management Company	Paramount Investments Limited	14.26% certificate holdings	3,625,823	4,609,932
			Management fee		
			Payments made during the year	3,807,641	3,436,561
ii.	Directors	Nadeem Iqbal	Key management personnel (KMP)	1,139,251	1,027,128
			Rent paid		
iii.	Director's spouse	Sabahut Nadeem	Close family member of KMP	1,012,417	829,736
			Rent paid		
iv.	Staff retirement funds	Paramount Investments Limited - Employees' Provident Fund	Funded provident fund scheme	677,987	639,112
			Contribution to the Fund		
			Profit paid on certificates of musharaka	187,254	192,507
Balance as at June 30, 2025					
i.	Management Company	Paramount Investments Limited	14.26% certificate holdings	(105,019)	(286,837)
			Other payable		
ii.	Directors	Nadeem Iqbal	Key management personnel	217,800	217,800
			Security deposit		
iii.	Staff retirement funds	Paramount Investments Limited - Employees' Provident Fund	Funded provident fund scheme	(1,400,000)	(1,400,000)
			Certificates of musharaka		
			Accrued profit on certificate of musharaka	(3,764)	(3,953)

36.1 Detail of compensation to key management personnel comprising of officers is disclosed in Note 35.

37. INFORMATION ABOUT BUSINESS SEGMENTS

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

Financing

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

FPM Petro Services

FPM petro services engaged in provision of various chemical components to different sectors nationally and internationally. Modaraba has started this project with effect from February 18, 2015. As per the arrangement, the Modaraba has financed the venture and is entitled to profit share of 55%, where as loss shall be borne by the Modaraba.

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

37.2 Segment assets and liabilities

	2025		
	Financing	FPM Petro	Others
	----- (Rupees) -----		
Segment assets	90,118,458	407,148,862	12,013,952
Segment liabilities	(88,357,225)	(126,185,867)	(20,845,130)
			509,281,272
			(235,388,223)
	2024		
	Financing	FPM Petro	Others
	----- (Rupees) -----		
Segment assets	189,921,708	272,896,445	10,996,214
Segment liabilities	(130,984,013)	(73,191,790)	(19,643,716)
			473,814,367
			(223,819,519)

37.3 Segment revenue and results

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

	2025			
Financing	FPM Petro	Others	Total	
	----- (Rupees) -----			
Operating revenue	15,523,510	580,407,261	-	595,930,771
Administration and operating expenses	(40,801,881)	(503,644,811)	(187,793)	(544,634,485)
Provision for doubtful recoveries	(511,514)	-	-	(511,514)
Other income	2,239,511	5,375,109	4,491	7,619,110
Financial charges	(23,550,374)	82,137,559	(183,302)	58,403,882
	(22,144,324)	(958)	(374)	(22,145,656)
Modaraba Company's management fee	(45,694,698)	82,136,600	(183,676)	36,258,226
	4,569,470	(8,213,661)	18,368	(3,625,823)
Sindh workers' welfare fund	(41,125,228)	73,922,939	(165,308)	32,632,403
Profit before income tax and levy	822,505	(1,478,459)	3,306	(652,648)
Levy	(40,302,723)	72,444,480	(162,002)	31,979,755
	(711,691)	-	-	(711,691)
Profit before income tax	(41,014,414)	72,444,480	(162,002)	31,268,064
Taxation- net	(7,369,863)	-	-	(7,369,863)
Profit for the year	(48,384,277)	72,444,480	(162,002)	23,898,201

2024				
	Financing	FPM Petro	Others	Total
	----- (Rupees) -----			
Operating revenue	16,167,861	548,977,083	3,974,177	569,119,121
Administration and operating expenses	(36,487,117)	(467,145,991)	(5,869,105)	(509,502,213)
Provision for doubtful recoveries	272,756	-	(428,416)	(155,660)
Other income	7,775,670	390,409	28,890	8,194,969
	(12,270,830)	82,221,501	(2,294,454)	67,656,217
Financial charges	(21,554,944)	(1,554)	(396)	(21,556,893)
	(33,825,774)	82,219,947	(2,294,850)	46,099,324
Modaraba Company's management fee	3,382,577	(8,221,995)	229,485	(4,609,932)
	(30,443,197)	73,997,952	(2,065,365)	41,489,392
Sindh workers' welfare fund	608,864	(1,479,959)	41,307	(829,788)
Profit before levy and taxation	(29,834,333)	72,517,993	(2,024,058)	40,659,604
Levy	(621,877)	-	-	(621,877)
Profit before taxation	(30,456,210)	72,517,993	(2,024,058)	40,037,727
Taxation- net	(11,495,250)	-	-	(11,495,250)
Profit after taxation	(41,951,460)	72,517,993	(2,024,058)	28,542,477

38. RISK MANAGEMENT

38.1 Financial risk management

The Modaraba's objective in managing risk is the creation and protection of certificate holders' value. Risk is inherent in the Modaraba's activities, but it is managed through monitoring and controlling activities which are primarily set up based on limits established by the Management Company, the Modaraba's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Modaraba as well as the level of the risk that the Modaraba is willing to accept. The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Modaraba's risk management framework.

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

- Credit risk
- Liquidity risk
- Market risk

(a) Credit risk

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

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

	2025 ----- (Rupees) -----	2024 -----
Murabaha financing	47,200,142	75,462,003
Musharaka financing	13,949,054	25,949,054
Loan to employees	369,503	595,503
Long-term deposits	7,700	7,700
Trade debtors	262,671,367	175,324,983
Advances and other receivables	19,148,102	16,392,893
Short term murabaha financing	4,791,668	-
Short term deposit	256,800	1,863,994
Accrued profit	70,332	1,532,576
Short term investment	23,434,916	21,308,669
Bank balances	18,114,460	46,993,946
	390,014,044	365,431,321

Description of collateral held

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

Concentration of credit risk

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

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

	2025		2024	
	Rupees	%	Rupees	%
Chemical, fertilizer and pharmaceutical	17,030,637	25.73%	1,108,339	1.06%
Fuel and energy	1,577,772	2.38%	4,840,910	4.63%
Food, tobacco and beverages	14,032,397	21.20%	37,486,036	35.88%
Paper and board	26,764,420	40.43%	26,925,056	25.77%
Textile and Garments	-	0.00%	-	0.00%
Steel, engineering and automobiles	-	0.00%	-	0.00%
Transportation and communication	630,980	0.95%	19,267,982	18.44%
Others	6,161,319	9.31%	14,847,679	14.21%
	66,197,525	100%	104,476,002	100%

Modaraba's operations are restricted to Pakistan only.

Credit risk rating:

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

Banks	Rating			2025	2024
	Long-term	Short-term	Agency	----- (Rupees) -----	
Habib Bank Limited	AAA	A1+	PACRA	422,674	87,257
Habib Metropolitan Bank Limited	AA+	A1+	PACRA	10,725,612	22,099,192
Faysal Bank Limited	AA	A1+	PACRA	296,797	688,059
Meezan Bank Limited	AAA	A1+	VIS	6,655,096	24,106,176
Al Baraka Bank (Pakistan) Limited	A+	A1	VIS	11,452	10,545
Bank Islami Pakistan Limited	AA-	A1	PACRA	2,829	2,717
				18,145,778	47,028,134

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

(b) Liquidity Risk

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

Contractual maturities of financial liabilities:

2025	Contractual cash flows				Total
	Carrying amount	Maturity upto one year	Maturity after one year but upto three years	More than three years	
	----- (Rupees) -----				
Certificates of musharaka	173,375,000	41,500,000	104,975,000	26,900,000	173,375,000
Creditors, accrued and other liabilities	22,250,932	22,250,932	-	-	22,250,932
Accrued profit on certificates of musharaka	3,331,368	3,331,368	-	-	3,331,368
Certificate of musharaka - matured and payable	2,800,000	2,800,000	-	-	2,800,000
Unclaimed profit distributions	18,620,240	18,620,240	-	-	18,620,240
Total	220,377,540	88,502,540	104,975,000	26,900,000	220,377,540

2024	Contractual cash flows				Total
	Carrying amount	Maturity upto one year	Maturity after one year but upto three years	More than three years	
	----- (Rupees) -----				
Certificates of musharaka	168,400,000	47,250,000	70,225,000	50,925,000	168,400,000
Creditors, accrued and other liabilities	10,289,139	10,289,139	-	-	10,289,139
Accrued profit on certificates of musharaka	3,514,280	3,514,280	-	-	3,514,280
Certificate of musharaka - matured and payable	2,800,000	2,800,000	-	-	2,800,000
Unclaimed profit distributions	18,729,685	18,729,685	-	-	18,729,685
	<u>203,733,104</u>	<u>82,583,104</u>	<u>70,225,000</u>	<u>50,925,000</u>	<u>203,733,104</u>

c) Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimising the return. The currency risk, other price risk and profit rate risk associated with the Modaraba's business activities are stated as under:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates. At present, the Modaraba is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. There is other price risk of changes in the fair value of investment in mutual funds as a result of changes in the levels of net asset value of units held by the Modaraba. As at June 30, 2025, had there been increase / decrease in net asset value by 1%, with all other variables held constant, the profit before tax for the year and equity would have been higher / lower by Rupees 0.23 million (June 30, 2024: Rupees 0.21 million) and Rupees 0.166 million (June 30, 2024: Rupees 0.151 million).

(iii) Profit rate risk

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

Financial assets	2025 ----- (Rupees) -----	2024 -----
Fixed rate		
Murabaha financing	47,200,142	75,462,003
Short term murabaha financing	4,791,668	-
	<u>51,991,810</u>	<u>75,462,003</u>
Financial assets		
Variable rate		
Bank balances	9,367,735	37,898,008
	<u>9,367,735</u>	<u>37,898,008</u>
Financial liabilities		
Variable rate		
Certificate of musharaka	173,375,000	168,400,000
On statement of financial position gap	<u>(164,007,265)</u>	<u>(130,501,992)</u>

Cash flow sensitivity analysis for variable rate instruments

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

	2025		2024	
	Increase Rupees	Decrease Rupees	Increase Rupees	Decrease Rupees
Cash flow sensitivity - variable rate financial assets	66,511	(66,511)	269,076	(269,076)
Cash flow sensitivity - variable rate financial liabilities	(1,230,963)	1,230,963	(1,195,640)	1,684,000
Net effect	(1,164,452)	1,164,452	(926,564)	1,414,924

38.2 Recognized fair value measurements

(a) Financial assets

Fair value hierarchy

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

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

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

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

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

	30-Jun-25			Total
	Level-1	Level-2	Level-3	
	-----Rupees-----			
Assets				
Short term investment				
Fair value through profit or loss	23,434,916	-	-	23,434,916
	-----Rupees-----			
	30-Jun-24			Total
	Level-1	Level-2	Level-3	
Assets				
Short term investment				
Fair value through profit or loss	21,308,669	-	-	21,308,669

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

(b) Non Financial Assets

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

	2025 ----- (Rupees) -----	2024 -----
38.3 Financial instruments by categories	At amortized cost	
Financial assets as per statement of financial position		
Murabaha financing	47,200,142	75,462,003
Musharaka financing	13,949,054	25,949,054
Loan to employees	369,503	595,503
Long term deposits	7,700	7,700
Trade debtors	262,671,367	175,324,983
Advances and other receivables	19,148,102	16,392,893
Short term murabaha financing	4,791,668	-
Short term deposit	256,800	1,863,994
Accrued profit	70,332	1,532,576
Cash and bank balances	18,210,311	47,115,806
	366,674,979	344,244,512
	At fair value through profit or loss	
Short term investment	23,434,916	21,308,669
	At amortized cost	
Financial liabilities as per statement of financial position		
Certificates of musharaka	173,375,000	168,400,000
Creditors, accrued and other liabilities	22,250,932	10,289,139
Certificate of musharaka - matured and payable	2,800,000	2,800,000
Accrued profit on certificates of musharaka	3,331,368	3,514,280
Unclaimed profit distributions	18,620,240	18,729,685
	220,377,540	203,733,104

As at June 30, 2024

Assets as per statement of financial position

	Financial assets	Non-financial assets	Total as per Statement of Financial Position
	----- (Rupees) -----		
Fixed assets	-	13,102,420	13,102,420
Intangible assets	-	205,924	205,924
Long term investments	-	9,980	9,980
Murabaha financing	75,462,003	-	75,462,003
Musharaka financing	25,949,054	-	25,949,054
Loan to employees	595,503	-	595,503
Long term deposits	7,700	-	7,700
Stock in trade	-	24,102,663	24,102,663
Trade debtors	175,324,983	-	175,324,983
Advances, prepayments and other receivables	16,392,893	6,733,762	23,126,655
Short term murabaha financing	-	-	-
Short term deposit	1,863,994	-	1,863,994
Accrued profit	1,532,576	-	1,532,576
Short term investment	21,308,669	-	21,308,669
Taxation-net	-	64,106,437	64,106,437
Cash and bank balances	47,115,806	-	47,115,806
	365,553,181	108,261,186	473,814,367

As at June 30, 2024

	Financial liabilities	Non-financial liabilities	Total as per Statement of Financial Position
	----- (Rupees) -----		
Deferred income	-	15,101,882	15,101,882
Certificates of musharaka	168,400,000	-	168,400,000
Creditors, accrued and other liabilities	10,289,139	4,984,533	15,273,672
Accrued profit on certificates of musharaka	3,514,280	-	3,514,280
Certificate of musharaka - matured and payable	2,800,000	-	2,800,000
Unclaimed profit distributions	18,729,685	-	18,729,685
	203,733,104	20,086,415	223,819,519

39. PROVIDENT FUND RELATED DISCLOSURE

39.1 The following information is based on un-audited financial information of the Staff Provident Fund for the year ended June 30, 2025 and June 30, 2024.

	2025 ----- (Rupees) -----	2024 -----
Size of the funds - Total assets	<u>11,446,855</u>	10,163,135
Cost of investments	<u>1,400,000</u>	1,400,000
Fair value of investments out of Provident Fund	<u>1,400,000</u>	1,400,000
Percentage of investments made	<u>12%</u>	14%

39.2 Details of fair value of investments:

Bank balances	<u>7,403,176</u>	5,236,949
Advances to employees	<u>2,643,679</u>	3,526,186
Investment in sharia compliant certificate of musharaka	<u>1,400,000</u>	1,400,000
	<u>11,446,855</u>	10,163,135

40. NUMBER OF EMPLOYEES

The number of employees during the year are as follows:

	2025 ----- (Numbers) -----	2024 -----
Number of employees - permanent	<u>17</u>	<u>16</u>
Average number of employees - permanent	<u>16</u>	<u>16</u>
Number of employees - contractual	<u>2</u>	<u>1</u>
Average number of employees - contractual	<u>2</u>	<u>1</u>

41. GENERAL

41.1 Figures have been rounded off to the nearest rupee, unless otherwise stated.

41.2 Certain corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of fourth schedule to the Companies Act, 2017. Following major reclassifications have been made during the year:

Description	Reclassified from	Reclassified to	2024 Balance (Rupees)
Provision for doubtful recoveries	Creditors, accrued and other liabilities - others	Short-term deposit - Provision for doubtful recoveries	1,100,000
Short term deposits	Long term deposits	Short term deposits	256,800
Sindh sales tax receivable	Sindh sales tax receivable	Advances, prepayments and other receivables - Sindh sales tax receivable	5,914,484

42. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were approved and authorised for issue on 01 October 2025 by the Board of Directors of the Modaraba Management Company.

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR



Crowe Hussain Chaudhury & Co.
Chartered Accountants
Level 4, 31-C,
Khayaban-e-Shamsheer,
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Independent Auditor's Report

To the Certificate holders of First Paramount Modaraba

Report on the Audit of the Consolidated financial statements

Opinion

We have audited the annexed consolidated financial statements of **FIRST PARAMOUNT MODARABA and its subsidiaries** ("the Group"), which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group and the Group Management Company (Paramount Investments Limited) in accordance with the International Ethics Standards Board for Accountants 'Code of Ethics for Professional Accountants' as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 22.1 to the consolidated financial statements, which states that the Group is non-compliant with the credit rating and minimum equity requirements as stipulated in Modaraba Regulations 2021. As fully disclosed in the aforesaid note, the extension period has lapsed on August 14, 2025 and a renewal application has been filed with the authorities which is under process. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

CHC



Following are the Key audit matters:

S. No	Key Audit Matter	How the matter was addressed in our audit
01	<p>Income from Murabaha financing</p> <p>The Group earns income from the murabaha financing which is its substantial income source (Refer note 21.1 to the consolidated financial statements). During the year, the Group has recognized income of Rs. 13.23 million.</p> <p>We identified income from the murabaha financing as a key audit matter because of the potential risk that income from the murabaha financing transactions may not be accurately recorded, recognized in the appropriate period, and not properly disclosed in the consolidated financial statements.</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> - Obtained an understanding, including the design and implementation of internal controls over recording and processing of murabaha income. - Assessed the appropriateness of the Group's accounting policy for recording of income and in line with the requirements of applicable law, accounting and reporting standards. - Matched customer contracts with the income and repayment schedule, performed recalculation on sample basis to ensure that income is appropriately recorded and also evaluated that these contracts were appropriately classified and recorded in the appropriate accounting period. - On sample basis, traced the installments received from the underlying records issued to contract holders and applied substantive analytical procedures to determine any variations. - Evaluated the income accrued but not received is appropriately classified as suspended income as per applicable modaraba regulations. - Recalculated the unearned portion of income and checked the appropriate amount has been recorded as unearned income in liabilities. <p>We also evaluated the adequacy of the overall disclosures in the consolidated financial statements in respect of income from murabaha financing in accordance with the requirements of applicable financial reporting framework.</p>
02	<p>Stock in trade</p> <p>(Refer note 27.1.2, amounting to Rs. 12.48 million)</p> <p>Stock-in-trade is a material balance in the financial statements. The Group values its stock-in-trade at the lower of cost and net realizable value (NRV), with cost determined using the weighted average method.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> - We assessed the appropriateness of the Group's accounting policies relating to stock-in-trade valuation, including the use of the weighted average method, for compliance with applicable accounting standards and Modaraba Regulations.

etc



<p>The application of the weighted average method requires accurate recording of purchase and consumption transactions. Further, determination of NRV involves judgment in assessing market conditions and realizability.</p> <p>Given the significance of the balance and involvement of estimation, this area was considered a key audit matter.</p>	<ul style="list-style-type: none"> - We tested the design and operating effectiveness of controls over the recording of stock transactions and valuation. - On a sample basis, we verified purchase costs to supporting invoices and recalculated weighted average cost to assess accuracy. - We evaluated the NRV assessment by reviewing subsequent sales prices and market data to ensure that stock was not carried above realizable value. - We checked whether provisions for slow-moving or obsolete stock were adequately considered. <p>We also evaluated the adequacy of the overall disclosures in the consolidated financial statements.</p>
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Information other than the consolidated financial statements and Auditor's Report thereon

The management of the Group is responsible for the other information. The other information comprises the information included in the Group's annual report, but does not include the consolidated and unconsolidated financial statements of the Modaraba and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and Board of Directors of the modaraba company for the consolidated financial statements

Management of the Group is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and Companies Act, 2017 (XIV of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Group Modaraba Company are responsible for overseeing the Group's financial reporting process.

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurances about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: -

- a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Modaraba's internal control;
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Modaraba Company;
- d) Conclude on the appropriateness of the management of the Modaraba Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Modaraba's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Modaraba to cease to continue as a going concern; and
- e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors of the Group Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors of the Group Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors of the Group Management Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

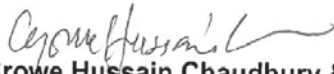
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Other Matter

The consolidated financial statements for the year ended June 30, 2024 were audited by another firm of chartered accountants, who expressed an unmodified opinion on those financial statements vide their report dated October 4, 2024

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


Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Dated: 02 OCT 2025

UDIN: AR202510207bNzO97Ps0

**FIRST PARAMOUNT MODARABA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025**

ASSETS	Note	2025 ----- (Rupees) -----	2024
NON-CURRENT ASSETS			
Fixed assets	6	23,281,703	13,102,420
Intangible assets	7	144,147	205,924
Murabaha financing	8	19,403,574	31,982,963
Musharaka financing	9	-	12,000,000
Loan to employees	10	231,503	385,503
Long term deposits		7,700	7,700
		43,068,627	57,684,510
CURRENT ASSETS			
Trade debtors	11	262,671,367	175,324,983
Stock in trade		12,475,079	24,102,663
Advances, prepayments and other receivables	12	34,956,461	23,126,655
Short term murabaha financing	13	4,791,668	-
Current maturity of non-current assets	14	41,883,622	57,638,094
Short term deposit	15	256,800	1,863,994
Accrued profit	16	70,332	1,532,576
Short term investment	17	23,434,916	21,308,669
Taxation - net		68,067,855	64,106,437
Cash and bank balances	18	18,994,547	47,123,633
		467,602,647	416,127,704
TOTAL ASSETS		510,671,274	473,812,214
EQUITY AND LIABILITIES			
CERTIFICATE CAPITAL AND RESERVES			
Authorised certificate capital		400,000,000	250,000,000
40,000,000 (2024: 25,000,000) certificates of Rupees 10/- each	19	137,884,193	137,884,193
Issued, subscribed and paid-up certificate capital		113,095,758	89,550,505
Capital reserves	20	22,392,468	22,392,468
Revenue reserves		273,372,419	249,827,166
Equity attributable to certificate holders of the holding company		(558)	(316)
Non-controlling interest		273,371,861	249,826,850
Total equity		273,371,861	249,826,850
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income	21	3,362,988	7,962,634
Certificates of musharaka	22	131,875,000	121,150,000
		135,237,988	129,112,634
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	23	30,442,457	15,439,517
Current maturity of deferred income	21	5,367,360	7,139,248
Current maturity of certificates of musharaka	22	41,500,000	47,250,000
Certificate of musharaka - matured and payable	24	2,800,000	2,800,000
Accrued profit on certificates of musharaka	25	3,331,368	3,514,280
Unclaimed profit distributions		18,620,240	18,729,685
		102,061,425	94,872,730
TOTAL LIABILITIES		237,299,413	223,985,364
TOTAL EQUITY AND LIABILITIES		510,671,274	473,812,214
CONTINGENCIES AND COMMITMENTS			
	26		

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

For Paramount Investments Limited
(Group Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 ----- (Rupees) -----	2024 -----
Income from trading operations	27	81,790,354	88,983,786
Income from murabaha financing	21.1	13,232,119	14,065,787
Income from diminishing musharaka financing		-	108,939
Income from musharaka financing		2,291,391	1,993,135
		97,313,864	105,151,647
Administrative and operating expenses	28	(46,372,156)	(45,702,749)
Provision for doubtful recoveries - net		(511,514)	(155,660)
Other income	29	7,620,843	8,195,102
		58,051,037	67,488,340
Financial charges	30	(22,146,001)	(21,557,034)
		35,905,036	45,931,306
Modaraba Management Company's remuneration	31	(3,625,823)	(4,609,932)
		32,279,213	41,321,374
Provision for Sindh Workers' Welfare Fund		(652,648)	(829,788)
Profit before levy and taxation		31,626,565	40,491,586
Levy	32	(711,691)	(621,877)
Profit before taxation		30,914,874	39,869,709
Taxation	32	(7,369,863)	(11,495,250)
Profit after taxation		23,545,011	28,374,459
Other comprehensive income		-	-
Total comprehensive income		23,545,011	28,374,459
Share of profit attributable to :			
Certificate holders of the Modaraba		23,545,253	28,374,795
Non-controlling interest		(242)	(336)
		23,545,011	28,374,459
Earnings per certificate - basic and diluted	33	1.71	2.06

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

For Paramount Investments Limited
(Group Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

	2025 ----- (Rupees) -----	2024 -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levy and taxation	31,626,565	40,491,586
Adjustments for non-cash items:		
Depreciation and amortization	28 4,281,697	2,369,720
Gain on disposal of fixed assets	(1,544,342)	(367,952)
Provision for Sindh Workers' Welfare Fund	652,648	829,788
Financial charges	30 22,146,001	21,557,034
Provision for doubtful recoveries - net	511,514	155,660
Bad debts written off	-	3,730,868
	26,047,518	28,275,118
	57,674,083	68,766,704
Decrease / (increase) in current assets		
Murabaha financing - net	23,950,873	39,803,857
Diminishing Musharaka financing - net	-	683,764
Musharaka financing - net	12,000,000	3,000,000
Modaraba financing - net	-	1,822,314
Stock in trade	11,627,584	13,676,459
Trade debtors	(87,346,384)	(87,646,310)
Advances, prepayments and other receivables	(11,439,806)	14,640,509
Short term deposit	225,000	2,342,806
Receivable from Al-burq associates	-	1,221,554
Short term investment	(2,126,247)	(532,254)
Accrued profit	1,462,244	962,056
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	14,350,292	5,511,660
Deferred income	(6,371,534)	(3,817,616)
Cash generated from operations	14,006,105	60,435,503
Financial charges paid	(10,379)	(52,977)
Recovery from loans to employees	226,000	173,998
Levy and income tax paid	(12,042,972)	(28,642,935)
Net cash generated from operating activities	2,178,754	31,913,589
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(15,027,361)	(3,634,427)
Investment in subsidiary	-	-
Sale proceed on disposals of fixed assets	2,172,500	690,000
Net cash used in investing activities	(12,854,861)	(2,944,427)
CASH FLOWS FROM FINANCING ACTIVITIES		
Certificates of Musharaka - issuance	22 35,700,000	26,375,000
Certificates of Musharaka - redemption	22 (30,725,000)	(25,475,000)
Paid against matured certificate of musharaka	-	(7,050,000)
Profit paid to certificates of Musharaka holders	(22,318,534)	(21,603,415)
Profit distributed to certificate holders	(109,445)	(505,170)
Net cash used in financing activities	(17,452,979)	(28,258,585)
Net (decrease) / increase in cash and cash equivalents	(28,129,086)	710,577
Cash and cash equivalents at beginning of the year	47,123,633	46,413,056
Cash and cash equivalents at end of the year	18 18,994,547	47,123,633

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

For Paramount Investments Limited
(Group Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

FIRST PARAMOUNT MODARABA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Issued, subscribed and paid up certificate capital	Reserves				Non- controlling interest	Total
		Capital		Revenue			
		Merger reserve	*Statutory reserve	Total	Unappropriated profit		
Balance as at July 1, 2023	137,884,193	1,935,160	59,240,550	61,175,710	22,392,468	-	221,452,371
Ordinary shares issue to non-controlling interest						20	20
Profit after taxation	-	-	-	-	28,374,795	(336)	28,374,459
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	28,374,795	(336)	28,374,459
Transferred to statutory reserve @ 100%	-	-	28,374,795	28,374,795	(28,374,795)	-	-
Balance as at June 30, 2024	137,884,193	1,935,160	87,615,345	89,550,505	22,392,468	(316)	249,826,850
Profit after taxation	-	-	-	-	23,545,253	(242)	23,545,011
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	23,545,253	(242)	23,545,011
Transferred to statutory reserve @ 100%	-	-	23,545,253	23,545,253	(23,545,253)	-	-
Balance as at June 30, 2025	137,884,193	1,935,160	111,160,598	113,095,758	22,392,468	(558)	273,371,861

*The statutory reserve represents profit set aside as required under the Modaraba Regulations, 2021 for Modarabas as issued by the Securities and Exchange Commission of Pakistan.

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

For Paramount Investments Limited
(Group Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**FIRST PARAMOUNT MODARABA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1. THE GROUP AND ITS OPERATIONS

The Group consist of First Paramount Modaraba and its subsidiaries namely, Paramount Compliance Private Limited and Complytech Global Limited.

1.1 First Paramount Modaraba

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

The registered office is situated at Suit No. 107- 108, First Floor, P.E.C.H.S. Community Office Complex, Block 2, Shahrah-e-Quaideen, Karachi, in the province of Sindh.

The Modaraba is engaged in 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";

'The Modaraba has been assigned a credit rating of 'BBB' for the long term and 'A-3' for the short term by VIS Credit Rating Company.

1.2 Paramount Compliance Private Limited

The Paramount Compliance Private Limited was incorporated in Pakistan on August 24, 2023 as a private limited company under the Companies Act, 2017. The registered office is situated at Suit No. 107-108, First Floor, P.E.C.H.S. Community Office Complex, Block 2, Shahrah-e-Quaideen, Karachi, in the province of Sindh. The principal activity of the Paramount Compliance Private Limited is provision of Anti Money Laundering screening services and solutions. Paramount Compliance Private Limited is yet to commence commercial operations. Non-controlling interest in the Paramount Compliance Private Limited – subsidiary company is 0.02% (2024: 0.02%).

1.3 Complytech Global Limited

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- The requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulation 2021 and directives issued by the Securities and Exchange Commission of Pakistan (SECP);
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the measurement at fair value of certain financial instruments in accordance with the requirements of IFRS 9 'Financial Instrument', wherever applicable.

Permissible Islamic financial products including murabaha, musharaka and modaraba have been used by the Group, the accounting and presentation of the same are in line with the substance of the transactions and their accounting is limited to the extent of actual amount of facility utilized and mutually agreed profit thereon. Accordingly, purchases, sales and musharaka profits / reserves are not reflected in these consolidated financial statements.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amounts recognized in these annual consolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

- Useful life and rate of depreciation of depreciable assets (refer note 4.1 & 5)
- Provision for income taxes (refer note 4.18 & 32)
- Provision (refer note 4.21)

3. Changes in accounting standards and interpretations

i) New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS practice statement 2 - Disclosure of accounting policies
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract

ii) New accounting standards, amendments and IFRS interpretations that are not effective for the year ended June 30, 2025

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Groups's financial statements other than certain additional disclosures;

**Effective from the
accounting period
beginning on or
after**

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability

January 01, 2025

IFRS 17 – Insurance Contracts

January 01, 2026

Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments

January 01, 2026

IFRS S1 – General requirements for disclosure of sustainability – related financial information & IFRS S2 – Climate related disclosures are applicable as follows:

Phase-I

Listed companies fulfilling any two criteria (i) to (iii) below shall comply the Sustainability Disclosure Standards from annual reporting periods beginning on or after July 1, 2025:

i) Annual turnover greater than Rs. 25 billion in last two consecutive financial years as per their financial statements; or

ii) Number of employees (permanent and contractual) greater than 1,000 as at last financial year-end; or

iii) Total assets greater than Rs. 12.5 billion as at last financial year-end.

Phase-II

Listed companies fulfilling any two criteria (i) to (iii) below shall comply the Sustainability Disclosure Standards from annual reporting periods beginning on or after July 1, 2026:

i) Annual turnover greater than Rs. 12.5 billion in last two consecutive financial years as per their financial statements; or

ii) Number of employees (permanent and contractual) greater than 500 as at last financial year-end; or

iii) Total assets greater than Rs. 6.25 billion as at last financial year-end.

Phase-III

Listed companies (other than those falling in Phase-I and Phase-II above) and non-listed Public-Interest-Companies which are licensed or registered with the Commission shall comply the Sustainability Disclosure Standards from annual reporting periods beginning on or after July 1, 2027.

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

4. BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies.

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the subsidiaries have been changed to conform with accounting policies of the Group, where required.

All intra-group balances, transactions and unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in these consolidated financial statements.

5. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

5.1 Fixed Assets

These are stated at cost less accumulated depreciation and impairments, if any. Cost of fixed assets consists of historical cost.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. Major renewals and improvements are capitalized while normal replacements, repairs and maintenance are charged to consolidated statement of profit and loss.

Depreciation is charged to profit and loss account applying the reducing balance method at the rates mentioned in note (5). Depreciation on additions and disposals during the year is charged from the date asset is available for use while no depreciation is charged from the date asset is disposed. When parts of an item of asset have different useful lives, they are accounted for as separate item in property and equipment. The residual values and useful lives are reviewed at each reporting date and adjusted, if required.

An item of fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of fixed assets are determined by comparing proceeds with the carrying amount. These are taken to the consolidated statement of profit and loss account currently.

5.2 Intangible assets

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

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

5.3 Loans to employees

Loans to employees are granted by the Group for purchasing of vehicles or for other purposes, as approved by the management on case-to-case basis. Loans granted are initially recorded at fair value. Subsequent to initial recognition, these are stated at amortized cost.

5.4 Murabaha financing

Modaraba obtains an undertaking (promise to purchase) from the client and purchases the requested assets / goods from third parties and takes possession of such goods / assets that are the subject matter of murabaha arrangements. However, the Modaraba can appoint the client as its agent to purchase the assets/goods on its behalf. Thereafter, it sells these goods / assets to the client at cost plus the profit agreed upon in the promise. Murabaha sale is recorded at the invoiced amount and profit is recognized in accordance with IFAS-1 (Murabaha) to the extent of pro-rata portion of sale price received as compared to total agreed price. Profit on the portion of sale revenue not due for payment is deferred and recognized as liability. Goods purchased by the Modaraba but remained unsold, with the Modaraba constitute inventories, if any at reporting date.

5.5 Modaraba financing

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

5.6 Musharaka financing

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

a) Diminishing musharaka

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

b) Musharaka financing

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

5.7 Financial instruments

Investments and other financial assets

a) Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in statement of profit and loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit and loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in the statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to statement of profit and loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit and loss.

Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in the statement of profit and loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments except for investment in subsidiary at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the consolidated statement of profit and loss as applicable.

Dividends from such investments continue to be recognized in statement of profit and loss as other income when the Group's right to receive payments is established.

Financial liabilities

Classification and measurement

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

i) Impairment of financial assets

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

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

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

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

ii) De-recognition

a) Financial assets

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

b) Financial liabilities

The Group derecognizes a financial liability (or a part of financial liability) from its consolidated statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements when there is a legally enforceable right to set off and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

5.8 Investment in subsidiary company

Investments in subsidiaries is initially recognized at cost. At subsequent reporting dates, recoverable amount is estimated to determine the extent of impairment loss, if any, and carrying amount of the investment adjusted accordingly.

5.9 Cash and cash equivalents

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

5.10 Stock in trade

Stock in trade is measured at lower of cost and net realizable value as at the reporting date. Cost is determined on weighted average basis.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale. If the net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value. Provision is made in the consolidated financial statements for obsolete and slow-moving stock in trade based on management estimate.

5.11 Trade debtors and other receivables

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

5.12 Statutory reserve

Statutory reserve represents profit set aside to comply with the Modaraba Regulations issued by the SECP vide S.R.O. 284(I)/2021 dated March 05, 2021. These Regulations require Modaraba which is not compliant with minimum equity requirements as provided in the regulations, shall create reserve fund to which shall credit an amount equivalent to 100% of its annual after-tax profit till such time the minimum equity requirements are complied with. During the year, the Group transferred 100% of its after-tax profit.

5.13 Certificates of musharaka

These are measured at principal amount on balance sheet date. The amount received by the Group from Certificate of Investment holders is invested in the overall business activity of the modaraba on the basis of full participation in the profit or loss of the Group.

The profit shall be shared by Certificate of Investment holders and certificate holders in accordance with the agreed ratio. Profit on certificate of investment arrangement is recognized as financial expense in the period in which they are incurred.

Profit on Musharaka finance is accounted for on the basis of the projected rate of profit. The effect of adjustments, if any, between actual rate and projected rate of profit is accounted for at the end of each quarter after determination of the actual rate.

5.14 Creditors and other liabilities

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

5.15 Impairment of non-financial assets

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

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

5.16 Revenue recognition

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

Revenue murabaha is recognized as per the requirements of the Islamic Financial Accounting Standards (IFASs). Repayment schedule is agreed at the start. Payments are usually due over the period of contract at different dates.

- Profit / return on deposits / investments is recognized on accrual basis.
- **Murabaha profit:**

Profit on transactions under murabaha arrangements is recognized on a pro-rata basis taking into account the elapsed duration for payment of murabaha amounts payable by the customer. Profit not due for payment in the current year is deferred by accounting for unearned murabaha income with corresponding credit to deferred murabaha income which is recorded as a liability. The same is then recognized as revenue on a time proportionate basis as and when the due dates approach for payment of recoverable amounts by the customers.

- Musharaka management fee is recognized on accrual basis.
- Profit on musharaka financing is recognized on declaration of profit by musharaka partners on accrual basis.
- Realized capital gains / (losses) arising on sale of investments are included in the profit and loss account on the date at which the transaction takes place.
- Dividend income is recognized when the right to receive the dividend is established.

5.17 Taxation and levy

Current

Provision for current taxation is based on taxable income for the year at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. Tax charge for the current year is determined in accordance with the prevailing laws for taxation. The charge for current tax is calculated using tax rates enacted or substantively enacted at the reporting date. The charge for the current tax also includes adjustments relating to prior years, if necessary, arising from assessments finalized during the year.

Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the tax base used in computation of the taxable profit. Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit and loss as these levies fall under the scope of IFRIC 12/IAS 37.

5.18 Operating segments

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

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

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

5.19 Employee benefits

a) Defined contribution plan

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

b) Compensated absences

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

5.20 Foreign currency translation

Foreign currency transactions are recorded using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupee using the exchange rate ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and on translation of monetary assets and liabilities denominated in foreign currencies at reporting date are recognized in the profit or loss.

5.21 Provisions

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

5.22 Profit distributions and appropriations

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

5.23 Certificate capital and earning per certificate

The Group presents basic and diluted earnings per certificate data for its ordinary certificates. Basic earnings per certificate is calculated by dividing the profit or loss attributable to ordinary certificate holders of the Group by the weighted average number of certificates outstanding during the year. Diluted earnings per certificate is determined by adjusting the profit or loss attributable to ordinary certificate holders and the weighted average number of ordinary certificates outstanding for the effects of all dilutive potential ordinary certificates.

5.24 Contingencies

Contingencies are disclosed when the Group has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not recognized because it is not probable that an outflow of recourse embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

5.25 Related party transactions

All related party transactions are carried out by the Group on arm's length basis.

5.26 Deposits, advances, prepayments and other receivables

Deposits, advances, prepayments and other receivables are stated initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

JUNE 30, 2024						
Owned assets	Generators-Own use	Computers	Office and other equipments	Furnitures and fixtures	Vehicles	Total
Year ended June 30, 2024						
At beginning of the year	73,503	447,661	1,912,038	2,134,318	7,503,989	12,071,509
Disposals:						
- Cost	-	-	(116,200)	-	(886,900)	(1,003,100)
- Accumulated depreciation	-	-	54,354	-	626,698	681,052
	-	-	(61,846)	-	(260,202)	(322,048)
Additions - at cost	-	738,730	437,053	130,000	2,328,644	3,634,427
Depreciation charge	(7,350)	(191,228)	(240,897)	(216,432)	(1,625,561)	(2,281,468)
Carrying amount as at June 30, 2024	<u>66,153</u>	<u>995,163</u>	<u>2,046,348</u>	<u>2,047,886</u>	<u>7,946,870</u>	<u>13,102,420</u>
As at June 30, 2024						
Cost	331,718	2,760,679	4,302,915	4,708,874	12,514,651	24,618,837
Accumulated depreciation	(265,565)	(1,765,516)	(2,256,567)	(2,660,988)	(4,567,781)	(11,516,417)
Carrying amount	<u>66,153</u>	<u>995,163</u>	<u>2,046,348</u>	<u>2,047,886</u>	<u>7,946,870</u>	<u>13,102,420</u>
Rate of depreciation (%) per annum	10	30	10-20	10	20	

	2025	2024
	----- (Rupees) -----	-----
7. INTANGIBLE ASSETS		
Year ended June 30,		
At beginning of the year	205,924	294,176
Amortization charge for the year	(61,777)	(88,252)
Carrying amount	144,147	205,924
As at June 30,		
Cost	2,976,738	2,976,738
Accumulated amortization	(2,832,591)	(2,770,814)
Carrying amount	144,147	205,924
Rate of amortization per annum (%)	30	30
8. MURABAHA FINANCING - SECURED	2025	2024
	----- (Rupees) -----	-----
Considered good	48,346,558	76,717,344
Considered doubtful	256,661	2,115,568
Suspended income	(1,146,416)	(1,255,341)
	47,456,803	77,577,571
Less: Provision for doubtful recoveries	(256,661)	(2,115,568)
	47,200,142	75,462,003
Less: Current portion	(27,796,568)	(43,479,040)
Non-current portion	19,403,574	31,982,963

8.1 The Group 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 Rs. 216.913 million (2024: Rs. 373.947 million) in aggregate.

8.2 These facilities have various maturity dates up to September 28, 2027. Effective profit rate on these arrangements ranges from 10.5% to 15% (2024: 18% to 26%).

8.3 As fully explained in note 5.7 the Group applies IFRS-9 Expected Credit Loss (ECL) model to evaluate the provisioning impact.

8.4 Movement in provision for doubtful recoveries

	2025 ----- (Rupees)	2024 -----
Opening balance	2,115,568	2,388,324
Charge for the year	-	367,425
Reversal made during the year	(480,680)	(640,181)
Write off during the year	(1,378,227)	-
	(1,858,907)	(272,756)
Closing balance	256,661	2,115,568

8.5 Contractual installments receivable on Murabaha financing facilities:

	Principal	Profit	Total
	----- (Rupees) -----		
2025			
Overdue	256,661	-	256,661
Due within one year	22,627,784	5,168,784	27,796,568
Due after one year but within five years	16,040,586	3,362,988	19,403,574
Due after five years	-	-	-
	38,925,031	8,531,772	47,456,803

	Principal	Profit	Total
	----- (Rupees) -----		
2024			
Overdue	2,115,568	-	2,115,568
Due within one year	36,339,792	7,139,248	43,479,040
Due after one year but within five years	22,584,921	9,398,042	31,982,963
Due after five years	-	-	-
	61,040,281	16,537,290	77,577,571

8.6 The above except for overdue balance represents installments receivable by the Group in future years in respect of Murabaha financing facilities given under long-term arrangements.

	Note	2025 ----- (Rupees)	2024 -----
8.7 Suspended income			
Opening balance		1,255,341	766,692
Reversal of suspended income	21.1	(500,394)	
Transferred to suspense income	21.1	967,255	488,649
Write off during the year		(575,786)	
Closing balance		1,146,416	1,255,341

9. MUSHARAKA FINANCING - SECURED

Musharaka agreements for:

Considered good:

Food products	9.1	-	12,000,000
		-	12,000,000

Considered doubtful:

Books printing - II	9.2	13,949,054	13,949,054
Less: Provision for doubtful recoveries	9.4	-	-
		13,949,054	25,949,054
Less: Current portion of musharaka financing		(13,949,054)	(13,949,054)
		-	12,000,000

- 9.1** The Group has entered into a Musharaka arrangement with Musharaka partner for distribution of food products like milk, biscuits etc. The Group's share of investment is 30% of the total financing required by Musharaka partner and profit on investment is shared in the ratio of 65:35 (2024: 65:35) between Group and Musharaka partner respectively. This financing is secured by way of mortgage of property. The financing has been matured and settled during the year.
- 9.2** During the preceding years, the Group signed a Musharaka arrangement amounting to Rs. 20 million for printing of 272,766 books with a Musharaka partner. The profit on the investment is shared in the ratio of 64.09:35.91 (2024: 64.09:35.91) between Group and the Musharaka partner respectively. The financing is secured by way of mortgage of immoveable property. This arrangement was fulfilled in prior years and the Group is in process to recover the principle and profit share as per agreement, from the Musharaka partner.
- 9.3** The forced sales value (FSV) of the underlying assets as security against musharaka financing amounts to Rs. 37.32 million (2024: Rs. 105.14 million) in aggregate.
- 9.4** No provision has been recognized due to the availability of the forced sale value benefit of the collateral held as security against financing. Furthermore, as fully explained in note 5.7 the Group also applies Expected Credit Loss (ECL) model to evaluate the provisioning impact. Consequently, as per the ECL model under IFRS 9, the impairment impact is materially same to the provisioning requirements under Group Regulations, 2021.

	2025	2024
	----- (Rupees) -----	
9.5 Contractual installments receivable on Musharaka financing facilities:		
Due within one year	13,949,054	13,949,054
Due after one year	-	12,000,000
	<u>13,949,054</u>	<u>25,949,054</u>

10. LOAN TO EMPLOYEES - SECURED

Loan to employees	369,503	595,503
Less: Current portion of loan to employees	(138,000)	(210,000)
	<u>231,503</u>	<u>385,503</u>

- 10.1** This represents profit free personal loans provided to employees of Group ranging from Rs. 0.03 million to Rs. 0.5 million. These are repayable over a maximum period of 10 years and secured against their provident fund balance.

	2025	2024
	----- (Rupees) -----	
11. TRADE DEBTORS - UNSECURED		
Considered good	262,671,367	175,324,983
Considered doubtful	469,825	469,825
	<u>263,141,192</u>	<u>175,794,808</u>
Less: Allowances for expected credit loss		
Balance as at July 1,	469,825	4,441,612
Recognized during the year	-	428,416
Bad debts written off during the year	-	(4,400,203)
Balance as at June 30,	<u>469,825</u>	<u>469,825</u>
	<u>262,671,367</u>	<u>175,324,983</u>

11.1 Ageing analysis of trade debtors are as follows:

Not yet due	237,289,640	164,972,809
Upto 30 days	21,129,078	4,290,308
31 to 90 days	2,396,903	6,112,191
91 days to 180 days	-	-
More than 180 days	2,325,571	419,500
	<u>263,141,192</u>	<u>175,794,808</u>

12. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Advance against purchase of stock	2,112,199	-
Advance against expenses	4,921,775	114,914
Advance against salaries	-	58,000
Short-term prepayments	686,534	704,364
Sales tax receivable	8,087,851	5,914,484
Due from AML project	15,637,114	14,754,723
Other receivables	3,510,988	1,580,170
	<u>34,956,461</u>	<u>23,126,655</u>

- 12.1** This includes operational expenses borne by the Group on behalf of the AML project. The Group has entered into an arrangement with an individual to engage in a business segment under the name and style of "FPM AML/CFT Solutions," serving the corporate and financial sector. The Group is responsible for managing the project's operations as the "Modarib" and may temporarily advance upto Rs. 16 million to the project, while the other party is responsible for investing in the project as the "Rabb-ul-Maal." The net profit from this contract is shared between the Modarib and Rabb-ul-Maal in a ratio of 60:40 respectively. The movement in balance due to / (from) AML project is as under:

	2025 ----- (Rupees) -----	2024 -----
Opening balance	14,754,723	8,693,703
Add: Payments made during the year	18,387,571	23,242,478
Less: Recovered from the project	<u>(17,505,180)</u>	<u>(17,181,458)</u>
Closing balance	<u>15,637,114</u>	<u>14,754,723</u>

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

- 12.2** This includes Rs. 1.2 million deducted directly from the bank account of the Group on the instruction of the Federal Board of Revenue (FBR) vide letter no. CIR/Zone-1/CRTO/KHI/2016/2544 dated December 15, 2016 on account of non deduction of withholding tax. (refer Note 26).

	2025 ----- (Rupees) -----	2024 -----
13. SHORT TERM MURABAHA FINANCING - SECURED		
Considered good	4,791,668	-
Considered doubtful	-	-
	<u>4,791,668</u>	<u>-</u>
Less: Provision for doubtful recoveries	-	-
	<u>4,791,668</u>	<u>-</u>

- 13.1** Murabaha sale price is receivable in installments. Effective profit rate on these arrangements ranges from 15% (2024: 11% to 14%) per annum receivable on agreed terms. These financing are secured by way of mortgage of properties, hypothecation of goods and demand promissory notes. The forced sales value (FSV) of the underlying assets as security amounts to Rs. 219.96 million (2024: Nil) in aggregate.

	Note	2025 ----- (Rupees) -----	2024 -----
14. CURRENT PORTION OF NON-CURRENT ASSETS			
Current portion of murabaha financing	8	27,796,568	43,479,040
Current portion of musharaka financing	9	13,949,054	13,949,054
Current portion of loans to employees	10	138,000	210,000
		<u>41,883,622</u>	<u>57,638,094</u>

15. SHORT-TERM DEPOSIT

Deposits		2,738,994	2,963,994
Less: Provision for doubtful recoveries	15.1	<u>(2,482,194)</u>	<u>(1,100,000)</u>
		<u>256,800</u>	<u>1,863,994</u>

15.1 Movement in provision for doubtful recoveries

Balance as at July 01,	1,100,000	-
Charge for the year	1,382,194	1,100,000
Balance as at June 30,	<u>2,482,194</u>	<u>1,100,000</u>

16. ACCRUED PROFIT	Note	2025 ----- (Rupees) -----	2024 -----
Profit receivable on musharaka financing		-	949,377
Profit receivable on bank deposits		70,332	583,199
		70,332	1,532,576
17. SHORT TERM INVESTMENT			
At fair value through profit or loss			
Pak Qatar-daily dividend plan	17.1	23,434,916	21,308,669
17.1 Movement in short term investment			
Opening balance		21,308,669	20,776,415
Add:Purchase during the year		-	-
Add: Dividend Reinvested (Dividend-net of tax)		2,126,247	3,532,254
Less: Redemption during the year		-	(3,000,000)
Closing balance		23,434,916	21,308,669

This represents investment in a mutual fund comprising 234,349.16 units (2024: 213,087 units) at NAV of Rs. 100 per unit (2024: Rs. 100 per unit).

18. CASH AND BANK BALANCES	Note	2025 ----- (Rupees) -----	2024 -----
Cash in hand		64,533	87,672
Cash at banks			
- Current accounts			
- State Bank of Pakistan		31,318	34,188
- Other banks	18.1	9,530,961	9,103,765
- Deposit accounts	18.2 & 18.3	9,367,735	37,898,008
		18,994,547	47,123,633

18.1 This include Rs. 0.213 million (2024: Rs. 0.563 million) in respect of FPM-AML project. (refer Note 12.1).

18.2 This includes Rs. 3.012 million (2024: Rs. 5.166 million) in respect of Redemption Reserve Fund established on account of Certificate of Musharaka.

18.3 These carries profit rate in respect of deposit accounts ranging from 4.5% to 9.2% (2024: 11.01% to 21.55%) per annum.

19. ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

2025 (Number of certificates)	2024	2025 ----- (Rupees) -----	2024 -----
11,989,930	11,989,930	119,899,298	119,899,298
1,798,490	1,798,490	17,984,895	17,984,895
13,788,420	13,788,420	137,884,193	137,884,193

19.1 As at June 30, 2025, Paramount Investments Limited (the Group Management Company) holds 14.26% (2024: 14.26%) representing 1,965,768 certificates (2024: 1,965,768 certificates) of the Group.

20. CAPITAL RESERVES	Note	2025 ----- (Rupees) -----	2024 -----
Statutory reserve	20.1	111,160,598	87,615,345
Merger reserve	20.2	1,935,160	1,935,160
		<u>113,095,758</u>	<u>89,550,505</u>

20.1 Statutory reserve represents profit set aside to comply with the Group Regulations issued by the SECP vide S.R.O. 284(I)/2021 dated March 05, 2021. These Regulations require Group which is not compliant with minimum equity requirements as provided in the regulations, shall create reserve fund to which shall credit an amount equivalent to 100% of its annual after-tax profit till such time the minimum equity requirements are complied with. During the year, the Group transferred 100% of its after tax profits amounting to Rs. 23.54 million (2024: Rs. 28.54 million).

20.2 In accordance with decision of the Honourable High Court of Sindh as on December 08, 2004, the First National Modaraba (FNM) was merged with the Group. The Group received a sum of Rs. 10.57 million from FNM, including Rs. 8.66 million as a certificate capital and Rs. 1.94 million as capital reserve.

21. DEFERRED INCOME	Note	2025 ----- (Rupees) -----	2024 -----
Deferred murabaha income	21.1	8,730,348	15,101,882
		8,730,348	15,101,882
Less: Current maturity of deferred income		(5,367,360)	(7,139,248)
		<u>3,362,988</u>	<u>7,962,634</u>

21.1 Deferred murabaha income

Balance as at 01 July	15,101,882	18,919,498
Add: Deferred income for the year	7,327,446	10,736,820
Less: Income recognized during the year	(13,232,119)	(14,065,787)
Less: Transferred to suspense income	(967,255)	(488,649)
Add: Reversal of suspended income	500,394	-
Balance as at 30 June	<u>8,730,348</u>	<u>15,101,882</u>

22. CERTIFICATES OF MUSHARAKA

Balance as at July 01,	168,400,000	167,500,000
Issued during the year	35,700,000	26,375,000
Redeemed during the year	(30,725,000)	(25,475,000)
	173,375,000	168,400,000
Less: current maturity of certificates of musharaka	(41,500,000)	(47,250,000)
Balance as at June 30,	<u>131,875,000</u>	<u>121,150,000</u>

22.1 In accordance with the Modaraba Regulations 2021 (the "Regulations") issued by the SECP through S.R.O. 284(I)/2021 dated March 5, 2021, the authority to issue Certificates of Musharaka (COM) by a Modaraba will be automatically suspended if the Modaraba becomes non-compliant with any of the conditions outlined in Regulation 19 of the Regulations. However, existing Modaraba's with valid permissions to issue COM, which are non-compliant, are required to achieve compliance within one year of the effective date of these regulations provided that, during this one-year interim period, the total COM of such Modaraba will be capped at the existing level, i.e., the outstanding balance as of the date the regulations came into force.

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

As the extended timelines has also lapsed on August 14, 2025 and the Modaraba is non-compliant with the credit rating and minimum equity requirements as outlined in Regulations 17 and 19, the Modaraba has formally filed renewal application with the Registrar Modaraba. Based on the correspondence with the Regulator, the management is confident that the renewal application would be accepted in favor of Modaraba.

22.2 These certificates have different denominations and are repayable within three months to five years. The expected share of profit on these certificates ranges from 9.5% to 14.5% (2024: 8.5% to 14.5%) per annum.

22.3 A Redemption Reserve Fund is established on account of Certificate of Musharaka (refer Note 17 & 18.2).

23. CREDITORS, ACCRUED AND OTHER LIABILITIES	2025	2024
	----- (Rupees) -----	
Due to associated undertakings	105,019	286,837
Creditors	18,080,085	4,314,680
Accrued expenses	1,973,269	1,843,534
Sindh workers' welfare fund	3,162,840	2,510,191
Withholding income tax	3,117,495	3,287,505
Share of modarib payable under FPM petro	-	1,915,687
Payable to provident fund	36,127	-
Others	3,967,622	1,281,083
	<u>30,442,457</u>	<u>15,439,517</u>

24. CERTIFICATE OF MUSHARAKA - MATURED AND PAYABLE

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

25. ACCRUED PROFIT ON CERTIFICATES OF MUSHARAKA	2025	2024
	----- (Rupees) -----	
Balance as at July 01,	3,514,280	3,613,638
Add: Accrued during the year	22,135,622	21,504,057
Less: Paid during the year	(22,318,534)	(21,603,415)
Balance as at June 30,	<u>3,331,368</u>	<u>3,514,280</u>

26. CONTINGENCIES AND COMMITMENTS

a) Contingencies

Name of the court, agency or authority	Description of the proceedings and relief sought	Principle Parties	Date instituted
i	Commissioner Inland Revenue	Commissioner (Appeals) SRB and Modaraba	July 19, 2019
	During the prior year, the Sindh Revenue Board (SRB) has raised accumulated demand of Rs. 7.06 million vide orders 629 of 2019, 632 of 2019, 635 of 2019 and 636 of 2019 dated July 19, 2019, July 23, 2019, July 25, 2019 and July 29, 2019, on the grounds that the Group's activities fall under tariffs 9809, 9822, 9822.2 and 9822.3 of Second Schedule of the Sindh Sales Tax on Services Act, 2011 (the Act). The Assistant Commissioner of Sindh Revenue Board (SRB) after providing opportunity of being heard to Group, issued order vide 915 dated April 27, 2022, whereby the Commissioner demanded the sales tax and penalty amounting to Rs. 14.81 million and 0.63 million respectively for the tax periods July 2011 to June 2017 on account of non-chargeability of Sindh Sales Tax against services. The Group has filed appeal before the Commissioner Appeals SRB and did not record any provision for this matter, as their tax advisor is confident that the pending appeal will be decided in the Group's favour.		

Name of the court, agency or authority	Description of the proceedings and relief sought	Principle Parties	Date instituted
ii Commissioner Inland Revenue	<p>The Group received a show cause notice C. No. DCIR/Unit-05/R-CTK-25-0983/Zone-II/CTO/KHI/48 dated April 28, 2025 under section 11(E) of the Sales Tax Act 1990, relating to input tax adjustments claimed during the tax period from July 2021 to March 2025.</p> <p>The Group submitted written replies against the show cause notice. Subsequently, the CIR passed an order claiming the input tax of Rs. 18.62 million along with penalty of Rs. 18.62 million under section 33(11) and a default surcharge (to be calculated at the time of final payment).</p> <p>The Group, has filed an appeal under section 45-B of the Sales Tax Act 1990 against the Order-in-Original 162 dated June 18, 2025. Considering the factual position and based on the advice of the tax counsel, the management is confident of a positive outcome and hence no accrual has been recorded in the books of accounts.</p>	Federal Board of Revenue and Modaraba	April 28, 2025

Name of the court, agency or authority	Description of the proceedings and relief sought	Principle Parties	Date instituted
iii Commissioner Inland Revenue	<p>An amount of Rs. 1.2 million has been deducted from the bank account of the Group on the instructions of the FBR vide letter #CIR/Zone-1/CRT0/Khi/2016/2544 dated December 15, 2016 on account of non deduction of withholding tax. The matter was taken to Commissioner Inland Revenue (Appeal III), Karachi who remanded back the case to the officer with directions to provide an opportunity of being heard to the Appellant. The worthy Commissioner in its Order vide no. 26/2017 dated January 26, 2017 has remanded the matter to the revenue. Management is confident that the deducted amount will be refunded, therefore, no expense has been booked in this regard.</p>	Federal Board of Revenue and Modaraba	December 15, 2016

b)	Commitments	Note	2025	2024
			----- (Rupees) -----	
	Letter of Guarantees		-	124,300
27.	INCOME FROM TRADING OPERATIONS			
	Income from:			
	- FPM Petro	27.1	81,790,354	86,884,917
	- FPM Solution	27.2	-	2,098,869
			81,790,354	88,983,786

27.1 Income from FPM petro	Note	2025 ----- (Rupees) -----	2024 -----
Revenue - net	27.1.1	580,407,261	548,977,083
Less: Direct costs			
Cost of sales	27.1.2	425,083,257	410,616,724
Transportation charges		27,507,815	3,580,888
Labour charges		1,582,840	1,926,712
Lab testing		72,850	189,850
Share of modarib		44,370,145	45,777,992
		498,616,907	462,092,166
		81,790,354	86,884,917

27.1.1 This represents revenue (net of sales tax) generated from chemical business of FPM Petro Services. Sales tax charged on sales tax invoices issued during the year in aggregate amounted to Rs. 104.26 million (2024: Rs. 99.44 million).

27.1.2 Cost of sales	2025 ----- (Rupees) -----	2024 -----
Opening stock	24,102,663	37,779,122
Purchases	413,455,673	396,940,265
Less: closing stock	(12,475,079)	(24,102,663)
Cost of sales	425,083,257	410,616,724

27.2 Income from FPM solution		2025 ----- (Rupees) -----	2024 -----
Revenue - net		-	3,974,177
Less: cost of revenue		-	1,875,308
		-	2,098,869

27.2.1 This represents revenue (net of Sindh Sales Tax on Services) generated from project power solution business of FPM Solutions. This includes income from Service Level Agreements (SLA) entered into by FPM Solutions with the client to provide services in respect of stand by generators, UPS and other power back up solutions. Sindh sales tax on services charged on sales tax invoices issued during the year in aggregate amounted to Nil (2024: Rs. 0.424 million).

28. ADMINISTRATIVE AND OPERATING EXPENSES	Note	2025 ----- (Rupees) -----	2024 -----
Salaries, allowances and benefits	28.1	20,836,502	18,859,762
Utilities		1,759,309	2,338,144
Repairs and maintenance		677,296	593,498
Takaful		1,602,097	609,676
Rent, rates and taxes	28.2	3,133,236	2,597,253
Travelling and conveyance		4,201,956	5,057,948
Communications		794,843	1,209,488
Printing and stationery		396,989	407,950
Auditors' remuneration	28.3	1,133,622	926,000
Legal and professional		865,110	427,360
Fees and subscriptions		4,874,436	4,809,236
Bad debts written-off		-	3,730,868
Stock in trade- written off		-	113,480
News papers and periodicals		11,260	9,560
Advertisement and publicity		72,000	36,000
Depreciation and amortization		4,281,697	2,369,720
Loss on disposal of fixed asset		-	-
Others		1,731,803	1,606,806
		46,372,156	45,702,749

28.1 Salaries, allowances and benefits include 0.67 million Rs. (2024: Rs. 0.64 million) on account of the Group's contribution to the staff provident fund.

28.2 This includes Rs. 1.13 million charge by director (2024: Rs. 1.05 million) in respect of rent for office premises.

28.3 Auditors' remuneration	2025	2024
	----- (Rupees) -----	
Statutory audit fee	590,815	590,815
Half yearly review fee	118,148	118,148
Certification fee	102,037	102,037
Annual shariah audit fee	130,000	-
Consolidation fee	115,000	115,000
SST	77,622	-
	<u>1,133,622</u>	<u>926,000</u>

29. OTHER INCOME

Financial assets - shariah compliant

Profit on bank deposits	2,218,006	3,681,168
Dividend income	2,846,762	4,145,849
Other	1,011,733	133

Non-financial assets

Others	1,544,342	367,952
	<u>7,620,843</u>	<u>8,195,102</u>

30. FINANCIAL CHARGES

Profit on certificates of musharaka	22,135,622	21,504,057
Bank charges	10,379	52,977
	<u>22,146,001</u>	<u>21,557,034</u>

31. MODARABA COMPANY'S MANAGEMENT FEE

The Group Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the annual net profits of the Modaraba. The fee for the year ended June 30, 2025 has been recognized at 10% (2024: 10%) of profit for the year.

32. LEVY AND TAXATION	Note	2025	2024
		----- (Rupees) -----	
Levy	32.1	711,691	621,877
Taxation	32.2	7,369,863	11,495,250
		<u>8,081,554</u>	<u>12,117,127</u>

32.1 This represents portion of final tax paid under Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

32.2 TAXATION

	Note	2025	2024
		----- (Rupees) -----	
Current tax		7,531,912	10,881,326
Prior year tax		(162,049)	613,924
		7,369,863	11,495,250
Deferred tax	32.3	-	-
		<u>7,369,863</u>	<u>11,495,250</u>

Relationship between accounting profit and tax expense	Note	2025 ----- (Rupees) -----	2024 -----
Accounting profit		30,914,874	39,869,709
Tax at applicable rate of 29%		8,965,313	11,562,216
Effect of:			
Accelerated depreciation		67,374	24,292
Provision for expected credit loss		35,561	35,565
Prior year		(162,049)	613,924
Other		(1,536,336)	(789,488)
		7,369,863	11,446,509

32.3 DEFERRED TAX (ASSET) / LIABILITY

Deferred tax asset comprises of:

(Deductible) temporary differences on:

Murabaha financing	(118,815)	(177,541)
Trade debtors	(122,623)	(122,638)
Creditors, accrued and other liabilities	(1,639,144)	(1,513,365)
	(1,880,582)	(1,813,544)

Deferred tax liability comprises of:

Taxable temporary differences on:

Fixed assets	566,211	594,719
	(1,314,370)	(1,218,825)
Unrecognized deferred tax asset	1,314,370	1,218,825
As at 30 June	-	-

32.4 Deferred tax asset as at June 30, 2025 to the extent of Rs. 1.31 million (June 30, 2024: Rs. 1.22 million) has not been recognized as the Group is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

33. EARNINGS PER CERTIFICATE - BASIC AND DILUTED

	2025	2024
Profit for the year (Rupees)	23,545,011	28,374,459
Weighted average number of certificates	13,788,420	13,788,420
Earnings per certificate - basic and diluted (Rupees)	1.708	2.058

33.1 There is no dilutive effect on the basic earnings per certificate of the Group, since there are no convertible instruments in issue as at June 30, 2025 (2024: Nil) which would have any effect on the earnings per certificate if the option to convert is exercised.

34. CHANGES ARISING FROM FINANCING ACTIVITIES

2025	July 1, 2024	Financing cash inflows	Financing cash outflows	Non Cash changes	June 30, 2025
----- (Rupees) -----					
Unclaimed profit distributions	18,729,685	-	(109,445)	-	18,620,240
Accrued profit on certificates of musharaka	3,514,280	-	(22,318,534)	22,135,622	3,331,368
COM matured parties	2,800,000	-	-	-	2,800,000
Certificates of musharaka	168,400,000	35,700,000	(30,725,000)	-	173,375,000
----- (Rupees) -----					
2024	July 1, 2023	Financing cash inflows	Financing cash outflows	Non Cash changes	June 30, 2024
----- (Rupees) -----					
Unclaimed profit distributions	19,234,855	-	(505,170)	-	18,729,685
Accrued profit on certificates of musharaka	3,613,638	-	(21,603,415)	21,504,057	3,514,280
COM matured parties	9,850,000	-	(7,050,000)	-	2,800,000
Certificates of musharaka	167,500,000	26,375,000	(25,475,000)	-	168,400,000

35. REMUNERATION OF OFFICERS AND OTHER EMPLOYEES

	2025		2024	
	Officers	Other employees	Officers	Other employees
----- (Rupees) -----				
Managerial remuneration	6,296,462	8,676,410	5,833,219	8,507,924
Allowances	891,754	2,950,581	785,694	2,123,248
Provident fund	314,823	363,164	307,451	331,662
EOBI	88,800	226,200	14,520	238,180
Others	127,012	901,296	2,387	715,477
	7,718,852	13,117,650	6,943,271	11,916,491
Number of person	4	13	4	13

35.1 Three officers are provided free use of the Group's cars including fuel and insurance.

35.2 No remuneration paid to the directors of the Group Management Company for the year ended June 30, 2025 (2024: Nil).

36. TRANSACTION WITH RELATED PARTIES

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

Relationship with Modaraba	Name of Related Party	Basis of relationship	Nature of transaction	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----	
Transactions during the year:						
i.	Management Company	Paramount Investments Limited	14.26% certificate holdings	Management fee	3,625,823	4,609,932
				Payments made during the year	3,807,641	3,436,561
ii.	Directors	Nadeem Iqbal	Key management personnel (KMP)	Rent paid	1,139,251	1,027,128
iii.	Director's spouse	Sabahut Nadeem	Close family member of KMP	Rent paid	1,012,417	829,736
iv.	Staff retirement funds	Paramount Investments Limited - Employees' Provident Fund	Funded provident fund scheme	Contribution to the Fund	677,987	639,112
				Profit paid on certificates of musharaka	187,254	192,507
Balance as at June 30, 2025						
i.	Management Company	Paramount Investments Limited	14.26% certificate holdings	Other payable	(105,019)	(286,837)
ii.	Directors	Nadeem Iqbal	Key management personnel	Security deposit	217,800	217,800
iii.	Staff retirement funds	Paramount Investments Limited - Employees' Provident Fund	Funded provident fund scheme	Certificates of musharaka	(1,400,000)	(1,400,000)
				Accrued profit on certificate of musharaka	(3,764)	(3,953)

36.1 Detail of compensation to key management personnel comprising of officers is disclosed in Note 35.

37. INFORMATION ABOUT BUSINESS SEGMENTS

37.1 The Group's reportable segments are as follows as per the Group's policy:

Financing

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

FPM Petro Services

FPM petro services engaged in provision of various chemical components to different sectors nationally and internationally. Group has started this project with effect from February 18, 2015. As per the arrangement, the Group has financed the venture and is entitled to profit share of 55%, where as loss shall be borne by the Group.

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

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37.2 Segment assets and liabilities

	2025		
	Financing	FPM Petro	Others
	----- (Rupees) -----		
Segment assets	91,510,613	407,148,862	12,011,799
Segment liabilities	(90,102,570)	(126,185,867)	(21,010,975)
			<u>510,671,274</u>
			<u>(237,299,413)</u>
	2024		
	Financing	FPM Petro	Others
	----- (Rupees) -----		
Segment assets	189,921,708	272,896,445	10,994,061
Segment liabilities	(130,984,013)	(73,191,790)	(19,809,561)
			<u>473,812,214</u>
			<u>(223,985,364)</u>

37.3 Segment revenue and results

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

	2025			
Financing	FPM Petro	Others	Total	
	----- (Rupees) -----			
Operating revenue	15,523,510	580,407,261	-	595,930,771
Administration and operating expenses	(40,801,881)	(503,644,811)	(542,371)	(544,989,063)
Provision for doubtful recoveries	(511,514)	-	-	(511,514)
Other income	2,239,511	5,375,109	6,224	7,620,843
Financial charges	(23,550,374)	82,137,559	(536,147)	58,051,037
	(22,144,324)	(958)	(719)	(22,146,001)
Modaraba Company's management fee	(45,694,698)	82,136,600	(536,866)	35,905,036
	4,569,470	(8,213,661)	18,368	(3,625,823)
Sindh workers' welfare fund	(41,125,228)	73,922,939	(518,498)	32,279,213
Profit before income tax and levy	822,505	(1,478,459)	3,306	(652,648)
	(40,302,723)	72,444,480	(515,192)	31,626,565
Levy	(711,691)	-	-	(711,691)
Profit before income tax	(41,014,414)	72,444,480	(515,192)	30,914,874
Taxation- net	(7,369,863)	-	-	(7,369,863)
Profit for the year	(48,384,277)	72,444,480	(515,192)	23,545,011

2024				
Financing	FPM Petro	Others	Total	
----- (Rupees) -----				
Operating revenue	16,167,861	3,974,177	569,119,121	
Administration and operating expenses	(36,487,117)	(6,037,115)	(509,670,223)	
Provision for doubtful recoveries	272,756	(428,416)	(155,660)	
Other income	7,775,670	29,023	8,195,102	
	(12,270,830)	(2,462,331)	67,488,340	
Financial charges	(21,554,944)	(537)	(21,557,034)	
	(33,825,774)	(2,462,868)	45,931,306	
Modaraba Company's management fee	3,382,577	229,485	(4,609,932)	
	(30,443,197)	(2,233,383)	41,321,374	
Sindh workers' welfare fund	608,864	41,307	(829,788)	
Profit before levy and taxation	(29,834,333)	(2,192,076)	40,491,586	
Levy	(621,877)	-	(621,877)	
Profit before taxation	(30,456,210)	(2,192,076)	39,869,709	
Taxation- net	(11,495,250)	-	(11,495,250)	
Profit after taxation	(41,951,460)	(2,192,076)	28,374,459	

38. RISK MANAGEMENT

38.1 Financial risk management

The Group's objective in managing risk is the creation and protection of certificate holders' value. Risk is inherent in the Group's activities, but it is managed through monitoring and controlling activities which are primarily set up based on limits established by the Group Management Company, the Group's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Group as well as the level of the risk that the Group is willing to accept. The Board of Directors of the Group Management Company has overall responsibility for the establishment and oversight of the Group's risk management framework.

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

- Credit risk
- Liquidity risk
- Market risk

(a) Credit risk

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

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

	2025 ----- (Rupees) -----	2024 -----
Murabaha financing	47,200,142	75,462,003
Musharaka financing	13,949,054	25,949,054
Loan to employees	369,503	595,503
Long-term deposits	7,700	7,700
Trade debtors	262,671,367	175,324,983
Advances and other receivables	19,148,102	16,392,893
Short term murabaha financing	4,791,668	-
Short term deposit	256,800	1,863,994
Accrued profit	70,332	1,532,576
Short term investment	23,434,916	21,308,669
Bank balances	18,898,696	47,001,773
	390,798,280	365,439,148

Description of collateral held

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

Concentration of credit risk

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

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

	2025		2024	
	Rupees	%	Rupees	%
Chemical, fertilizer and pharmaceutical	17,030,637	25.73%	1,108,339	1.06%
Fuel and energy	1,577,772	2.38%	4,840,910	4.63%
Food, tobacco and beverages	14,032,397	21.20%	37,486,036	35.88%
Paper and board	26,764,420	40.43%	26,925,056	25.77%
Textile and Garments	-	0.00%	-	0.00%
Steel, engineering and automobiles	-	0.00%	-	0.00%
Transportation and communication	630,980	0.95%	19,267,982	18.44%
Others	6,161,319	9.31%	14,847,679	14.21%
	66,197,525	100%	104,476,002	100%

Modaraba's operations are restricted to Pakistan only.

Credit risk rating:

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

Banks	Rating			2025	2024
	Long-term	Short-term	Agency	(Rupees)	
Habib Bank Limited	AAA	A1+	PACRA	422,674	87,257
Habib Metropolitan Bank Limited	AA+	A1+	PACRA	10,725,612	22,099,192
Faysal Bank Limited	AA	A1+	PACRA	296,797	688,059
Meezan Bank Limited	AAA	A1+	VIS	7,439,332	24,106,176
Al Baraka Bank (Pakistan) Limited	A+	A1	VIS	11,452	10,545
Bank Islami Pakistan Limited	AA-	A1	PACRA	2,829	2,717
				18,930,014	47,028,134

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

(b) Liquidity Risk

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

Contractual maturities of financial liabilities:

2025	Carrying amount	Contractual cash flows			Total
		Maturity upto one year	Maturity after one year but upto three years	More than three years	
		(Rupees)			
Certificates of musharaka	173,375,000	41,500,000	104,975,000	26,900,000	173,375,000
Creditors, accrued and other liabilities	24,162,122	24,162,122	-	-	24,162,122
Accrued profit on certificates of musharaka	3,331,368	3,331,368	-	-	3,331,368
Certificate of musharaka - matured and payable	2,800,000	2,800,000	-	-	2,800,000
Unclaimed profit distributions	18,620,240	18,620,240	-	-	18,620,240
Total	222,288,730	90,413,730	104,975,000	26,900,000	222,288,730

2024	Contractual cash flows				Total
	Carrying amount	Maturity upto one year	Maturity after one year but upto three years	More than three years	
	----- (Rupees) -----				
Certificates of musharaka	168,400,000	47,250,000	70,225,000	50,925,000	168,400,000
Creditors, accrued and other liabilities	10,289,139	10,289,139	-	-	10,289,139
Accrued profit on certificates of musharaka	3,514,280	3,514,280	-	-	3,514,280
Certificate of musharaka - matured and payable	2,800,000	2,800,000	-	-	2,800,000
Unclaimed profit distributions	18,729,685	18,729,685	-	-	18,729,685
	<u>203,733,104</u>	<u>82,583,104</u>	<u>70,225,000</u>	<u>50,925,000</u>	<u>203,733,104</u>

c) Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimising the return. The currency risk, other price risk and profit rate risk associated with the Group's business activities are stated as under:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to currency risk where transactions are conducted in foreign currency.

As at the reporting date, if Pakistani Rupee depreciated / appreciated by 1% against GBP with all other variables held constant, the Group's profit before tax would have been lower / higher by Rs. 0.038.97 million (2024: Nil) as a result of exchange gain / (loss) on translation of foreign currency denominated financial instruments.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. There is other price risk of changes in the fair value of investment in mutual funds as a result of changes in the levels of net asset value of units held by the Group. As at June 30, 2025, had there been increase / decrease in net asset value by 1%, with all other variables held constant, the profit before tax for the year and equity would have been higher / lower by Rs. 0.23 million (2024: Rs 0.21 million) and Rs. 0.17 million (2024: Rupees 0.15 million).

(iii) Profit rate risk

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

	2025	2024
	----- (Rupees) -----	
Financial assets		
Fixed rate		
Murabaha financing	47,200,142	75,462,003
Short term murabaha financing	<u>4,791,668</u>	-
	<u>51,991,810</u>	<u>75,462,003</u>
Financial assets		
Variable rate		
Bank balances	<u>9,367,735</u>	37,898,008
	<u>9,367,735</u>	<u>37,898,008</u>
Financial liabilities		
Variable rate		
Certificate of musharaka	<u>173,375,000</u>	168,400,000
On statement of financial position gap	<u>(164,007,265)</u>	<u>(130,501,992)</u>

Cash flow sensitivity analysis for variable rate instruments

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

	2025		2024	
	Increase Rupees	Decrease Rupees	Increase Rupees	Decrease Rupees
Cash flow sensitivity - variable rate financial assets	66,511	(66,511)	269,076	(269,076)
Cash flow sensitivity - variable rate financial liabilities	(1,230,963)	1,230,963	(1,195,640)	1,684,000
Net effect	(1,164,452)	1,164,452	(926,564)	1,414,924

38.2 Recognized fair value measurements

(a) Financial assets

Fair value hierarchy

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

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

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

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

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

	30-Jun-25			Total
	Level-1	Level-2	Level-3	
	-----Rupees-----			
Assets				
Short term investment				
Fair value through profit or loss	23,434,916	-	-	23,434,916
	-----Rupees-----			
	30-Jun-24			
	Level-1	Level-2	Level-3	Total
	-----Rupees-----			
Assets				
Short term investment				
Fair value through profit or loss	21,308,669	-	-	21,308,669

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

(b) Non Financial Assets

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

	2025 ----- (Rupees) -----	2024 -----
38.3 Financial instruments by categories	At amortized cost	
Financial assets as per statement of financial position		
Murabaha financing	47,200,142	75,462,003
Musharaka financing	13,949,054	25,949,054
Loan to employees	369,503	595,503
Long term deposits	7,700	7,700
Trade debtors	262,671,367	175,324,983
Advances and other receivables	19,148,102	16,392,893
Short term murabaha financing	4,791,668	-
Short term deposit	256,800	1,863,994
Accrued profit	70,332	1,532,576
Cash and bank balances	18,994,547	47,123,633
	367,459,215	344,252,339
	At fair value through profit or loss	
Short term investment	23,434,916	21,308,669
	At amortized cost	
Financial liabilities as per statement of financial position		
Certificates of musharaka	173,375,000	168,400,000
Creditors, accrued and other liabilities	24,162,122	10,289,139
Certificate of musharaka - matured and payable	2,800,000	2,800,000
Accrued profit on certificates of musharaka	3,331,368	3,514,280
Unclaimed profit distributions	18,620,240	18,729,685
	222,288,730	203,733,104

As at June 30, 2024

Assets as per statement of financial position

	Financial assets	Non-financial assets	Total as per Statement of Financial Position
	----- (Rupees) -----		
Fixed assets	-	13,102,420	13,102,420
Intangible assets	-	205,924	205,924
Long term investments	-	-	-
Murabaha financing	75,462,003	-	75,462,003
Musharaka financing	25,949,054	-	25,949,054
Loan to employees	595,503	-	595,503
Long term deposits	7,700	-	7,700
Stock in trade	-	24,102,663	24,102,663
Trade debtors	175,324,983	-	175,324,983
Advances, prepayments and other receivables	16,392,893	6,733,762	23,126,655
Short term murabaha financing	-	-	-
Short term deposit	1,863,994	-	1,863,994
Accrued profit	1,532,576	-	1,532,576
Short term investment	21,308,669	-	21,308,669
Taxation-net	-	64,106,437	64,106,437
Cash and bank balances	47,123,633	-	47,123,633
	365,561,008	108,251,206	473,812,214

As at June 30, 2024

	Financial liabilities	Non-financial liabilities	Total as per Statement of Financial Position
	----- (Rupees) -----		
Deferred income	-	15,101,882	15,101,882
Certificates of musharaka	168,400,000	-	168,400,000
Creditors, accrued and other liabilities	10,289,139	5,150,378	15,439,517
Accrued profit on certificates of musharaka	3,514,280	-	3,514,280
Certificate of musharaka - matured and payable	2,800,000	-	2,800,000
Unclaimed profit distributions	18,729,685	-	18,729,685
	203,733,104	20,252,260	223,985,364

39. PROVIDENT FUND RELATED DISCLOSURE

39.1 The following information is based on un-audited financial information of the Staff Provident Fund for the year ended June 30, 2025 and June 30, 2024.

	2025 ----- (Rupees) -----	2024 -----
Size of the funds - Total assets	<u>11,446,855</u>	10,163,135
Cost of investments	<u>1,400,000</u>	1,400,000
Fair value of investments out of Provident Fund	<u>1,400,000</u>	1,400,000
Percentage of investments made	<u>12%</u>	14%

39.2 Details of fair value of investments:

Bank balances	<u>7,403,176</u>	5,236,949
Advances to employees	<u>2,643,679</u>	3,526,186
Investment in sharia compliant certificate of musharaka	<u>1,400,000</u>	1,400,000
	<u>11,446,855</u>	10,163,135

40. NUMBER OF EMPLOYEES

The number of employees during the year are as follows:

	2025 ----- (Numbers) -----	2024 -----
Number of employees - permanent	<u>17</u>	16
Average number of employees - permanent	<u>16</u>	16
Number of employees - contractual	<u>2</u>	1
Average number of employees - contractual	<u>2</u>	1

41. GENERAL

41.1 Figures have been rounded off to the nearest rupee, unless otherwise stated.

41.2 Certain corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of fourth schedule to the Companies Act, 2017. Following major reclassifications have been made during the year:

Description	Reclassified from	Reclassified to	2024 Balance (Rupees)
Provision for doubtful recoveries	Creditors, accrued and other liabilities - others	Short-term deposit - Provision for doubtful recoveries	1,100,000
Short term deposits	Long term deposits	Short term deposits	256,800
Sindh sales tax receivable	Sindh sales tax receivable	Advances, prepayments and other receivables - Sindh sales tax receivable	5,914,484

42. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were approved and authorised for issue on 01 October 2025 by the Board of Directors of the Modaraba Management Company.

For Paramount Investments Limited
(Group Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

FIRST PARAMOUNT MODARABA

Pattern of Shareholding

As On 30/06/2025

NO. OF SHAREHOLDERS	<---- HAVING SHARES ---->		SHARES HELD	PERCENTAGE
	From	To		
217	1	100	5603	0.0406
140	101	500	34517	0.2503
204	501	1000	148848	1.0795
420	1001	5000	887343	6.4354
73	5001	10000	517415	3.7525
46	10001	15000	582565	4.2250
22	15001	20000	376544	2.7309
13	20001	25000	298241	2.1630
16	25001	30000	442996	3.2128
9	30001	35000	300624	2.1803
8	35001	40000	304538	2.2087
4	40001	45000	169721	1.2309
4	45001	50000	185749	1.3471
4	50001	55000	206401	1.4969
4	55001	60000	230729	1.6734
3	60001	65000	190010	1.3780
6	65001	70000	406983	2.9516
2	70001	75000	145923	1.0583
4	75001	80000	309161	2.2422
3	80001	85000	248654	1.8034
4	95001	100000	391138	2.8367
1	100001	105000	101132	0.7335
3	110001	115000	341792	2.4788
1	115001	120000	119723	0.8683
1	125001	130000	128749	0.9337
2	150001	155000	303438	2.2007
1	160001	165000	162634	1.1795
1	185001	190000	190000	1.3780
1	195001	200000	198000	1.4360
3	225001	230000	687000	4.9824
1	240001	245000	244541	1.7735
1	260001	265000	264105	1.9154
1	420001	425000	423471	3.0712

FIRST PARAMOUNT MODARABA
Pattern of Shareholding
As Or80/06/2025

<---- HAVING SHARES ---->				
NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
1	425001	430000	429184	3.1126
1	500001	505000	501995	3.6407
1	1495001	1500000	1500000	10.8787
1	1805001	1810000	1808949	13.1193
1227		Company Total	13788416	100.0000

FIRST PARAMOUNT MODARABA
Category of Shareholders
As On 30/06/2025

Particulrs	No of Folio	Balance Share	Percentage
DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN	5	622030	4.5113
ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES	4	1965768	14.2567
BANKS, DFI & NBFİ	2	462	0.0034
GENERAL PUBLIC (LOCAL)	1178	7891415	57.2322
GENERAL PUBLIC (FORİEGN)	27	934918	6.7805
OTHERS	8	296393	2.1496
MODARABAS	1	501995	3.6407
SHAREHOLDERS HOLDING 5% OR MORE	2	1575435	11.4258
Company Total	1227	13788416	100.0000

FIRST PARAMOUNT MODARABA

Category of Shareholders

As On 30/06/2025

Folio No	Name	Code	Balance Held	Percentage
000000001121	MR. NADIM IQBAL	001	1160	0.0084
000000001706	MR. TANWEER AHMED MAGOON	001	99487	0.7215
000000001707	SHAHIDA TANVEER	001	128749	0.9337
000000002006	MR. HUMAYUN MAZHAR QURESHI	001	162634	1.1795
003525098277	ABRAR AHMAD	001	230000	1.6681
000000000001	PARAMOUNT INVESTMENTS LIMITED	002	8371	0.0607
000000001963	PARAMOUNT INVESTMENT LIMITED	002	113292	0.8216
000000008004	PARAMOUNT INVESTMENTS LIMITED	002	35156	0.2550
003277071155	PARAMOUNT INVESTMENTS LIMITED	002	1808949	13.1193
003889000028	NATIONAL BANK OF PAKISTAN	004	28	0.0002
018432001155	SALIM SOZER SECURITIES (PRIVATE) LIMITED	004	434	0.0031
000000001344	SUBLIME SPORTS (PVT) LTD.	010	151375	1.0978
000000008403	M/S. EASTERN COMMERCIAL CORPORATION (PVT.) LTD.	010	1321	0.0096
000009900008	FEDERAL BOARD OF REVENUE	010	27233	0.1975
003277078335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	010	4821	0.0350
003277082127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	010	167	0.0012
003525087235	MAPLE LEAF CAPITAL LIMITED	010	1	0.0000
004705087224	FEDERAL BOARD OF REVENUE	010	73975	0.5365
014118000027	ASDA SECURITIES (PVT.) LTD.	010	37500	0.2720
000009900005	FIRST NATIONAL MODARABA	011	501995	3.6407
003277041842	ASIF NATHANI	014	1500000	10.8787
004085135929	ASIF NATHANI	014	75435	0.5471

Notice of Annual Review Meeting

Notice is hereby given that the Annual Review Meeting of Certificate-Holders of First Paramount Modaraba (FPM) will be held on Tuesday, 28 October 2025 at 12:00 pm at PIMA House, Room No. 201, 2nd Floor, PECHS Community Hall, Block-2, PECHS, Shahrah-e-Quideen, Karachi, to review the performance of the Modaraba for the year ended 30 June 2025.

On behalf of the Board

Syed Mudassir Ali

(Company Secretary)

Paramount Investments Limited

Managers of First Paramount Modaraba

06 October 2025

Karachi

Notes:

1. Closure of Certificate Transfer Books

The certificate transfer books shall remain closed from Monday, 27 October 2025 to Tuesday, 28 October 2025 (both days inclusive). Transfers received in order at the office of the Registrar of First Paramount Modaraba (FPM) i.e. THK Associates (Pvt.) Ltd., before the close of business hours on Friday 24 October 2025 will be treated as in time for the purpose of attending the Annual Review Meeting.

2. Change of address

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

3. Participation in the meeting

To facilitate certificate holders, the Modaraba is holding this meeting physically and through video link as allowed by the Securities and Exchange Commission of Pakistan. To attend the ARM through video link, the members and their proxies are requested to register themselves by providing the following information along with their Name, Folio Number, Cell No., and Number of Certificates held in their name, a valid copy of CNIC (both sides)/ passport attested copy of board resolution / power of attorney (in case of corporate certificate holders) through email with subject "Registration for FPM ARM" at s.mudassirali@fpm.com.pk by 15 October 2025:

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

The certificate holders who are registered after the necessary verification shall be provided a video link by the Modaraba on the said email address. The login facility will remain open from start of the meeting till its proceedings are concluded. Members are therefore, encouraged to attend the AGM through video link and by consolidating their attendance through proxies.

A) For attending the meeting physically:

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

B) For appointing proxies:

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

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

In terms of Securities and Exchange Commission of Pakistan's (SECP) S.R.O. 634 2014, the Annual Report for the year ended 30 June 2025 will also be placed on Modaraba's website.

5. Transmission of Annual Financial Statements through email

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

6. Unclaimed dividends

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

**FORM OF PROXY
ANNUAL REVIEW MEETING**

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

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

Signature: _____

Address: _____

CNIC No.: _____

No. of Certificate(s) held: _____

Affix Revenue
Stamp of Rs. 5

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

Note:








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



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

First Paramount Modaraba (An Islamic Financial Institution)

REGISTERED OFFICE

Suite#: 107-108, 1st Floor, P.E.C.H.S. Community Office Complex,
Block-2, P.E.C.H.S. Shakra-e-Quaideen, Karachi Ph: 34381037 - 38 - 52; Fax: 34534410,

Email: customersupport@fpm.com.pk, Web: www.fpm.com.pk