



FIRST PARAMOUNT MODARABA

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

ANNUAL REPORT | 2018

**For Long Term 'BBB', For Short Term A-3
Out Look - Stable
JCR 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 Sharia with Its true spirit.
2. To employ the Modaraba funds in best possible way and to promote the human talents, to maximize the profit for certificate holders.
3. It is our mission to constantly endeavour for excellence in all spheres of business activity, maintain its eminent market position, promote lasting relationship with our customers and other stakeholders, and construct a durable and vibrant Pakistan.



STATEMENT OF ETHICS AND BUSINESS PRACTICES

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

Corporate Information

First Paramount Modaraba Managed By: Paramount Investments Limited

BOARD OF DIRECTORS

| | |
|----------------------------|-------------------------|
| Mr. Tanveer Ahmed Magoon | Chairman |
| Mr. Syed Wajih Hassan | Chief Executive Officer |
| Mr. Nadeem Iqbal | Director |
| Mr. Pir Muhammad Kalia | Director |
| Mr. Abdul Razzak Jangda | Director |
| Mr. Humayun Mazhar Qureshi | Independent Director |
| Mr. Khalid Rehman | Independent Director |

AUDIT COMMITTEE

| | |
|----------------------------|----------|
| Mr. Humayun Mazhar Qureshi | Chairman |
| Mr. Pir Muhammad Kalia | Member |
| Mr. Nadeem Iqbal | Member |

HUMAN RESOURCE COMMITTEE

| | |
|--------------------------|----------|
| Mr. Khalid Rehman | Chairman |
| Mr. Tanveer Ahmed Magoon | Member |
| Mr. Nadeem Iqbal | Member |
| Mr. Syed Wajih Hassan | Member |

CHIEF FINANCIAL OFFICER / COMPANY SECRETARY

Mr. Abdullah Khan

SHARIAH ADVISOR

Mufti Muhammad Farhan Farooq

SHARIAH CONSULTANT

Mufti Muhammad Najeeb Khan

CREDIT RATING

Long term **BBB**

Short Term **A-3**

Out Look **Stable**

By JCR Credit Rating Company

AUDITORS OF THE MODARABA

M/s Deloitte Yousuf Adil
Chartered Accountants

AUDITORS OF THE MODARABA COMPANY

M/s Rahim Jan & Co.
Chartered Accountants

LEGAL ADVISOR

M/s Raja Qasit Nawaz, Advocates

First Paramount Modaraba
(An Islamic Financial Institution)



BANKERS

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

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: fpm@cyber.net.pk and info@fpm.com.pk
Web: www.fpm.com.pk

SHARE REGISTRAR

THK ASSOCIATES (PVT) LTD.
Second Floor, State Life Building No. 3,
Dr. Ziauddin Ahmed Road, Karachi - 75530.
Tel: 111-000-322 Fax: 35655595
Web: www.thk.com.pk
Email: secretariat@thk.com.pk

DIRECTORS REPORT TO THE CERTIFICATE-HOLDERS OF FIRST PARAMOUNT MODARABA

The Directors of Paramount Modaraba Investment Limited, Management Company of First Paramount Modaraba, are pleased to present the duly audited financial statements for the financial year ended on 30th June 2018, along with Sharia Advisor's report and Report of External Auditors to the Certificate Holders.

Alhamdulillah, Modaraba has posted a net profit of Rs. 10,864,989/- for the period as compared to Rs. 7,180,218/- for the same period last year. Consequently, Earning per share for the period stood at 0.79 while it was at 0.52 for the last year.

This increase in profits of Modaraba over last year i.e. 51%, is due to the reason that last year Modaraba had to absorb the exorbitant amount arising out of the provisions against the doubtful trade debts, deficits on disposal of weaving unit and Generators.

Financial year 2017-18 was by and large a smooth sailing year for the business of Modaraba. Exception was persistent hick-ups in the operations of a business unit of Modaraba – FPM Solutions. Modaraba management is ironing out the issues relating to the unit which will help in further strengthening the financial results of the Modaraba, in future. Positive sign is that in spite of this constraint and in spite of the fact that there is an additional levy of SWWF booked as expense this year, Modaraba has a growth in its profitability.

Management of Modaraba is constantly pursuing for the Equity enhancement, however instability of stock market of the country has negatively impacted these efforts. Meanwhile 'Certificate of Musharka – COM' will continue to fund enhanced requirements of the business finances.

Management of the Modaraba and its Board are employing new venues of business to augment overall profitability of Modaraba. Similarly, enhancement in Equity will continue to remain a priority agenda during the next year also. Based on these efforts we are confident that the coming financial year will InshAllah bring further good news to the stakeholders of the Modaraba.

Financial Results:

Financial results are summarized as under:

| | Year ended 30 th June, 2018 (Amount in Rupees) | Year ended 30 th June, 2017 (Amount in Rupees) |
|---|--|--|
| Profit after Taxation | 10,864,989 | 7,180,218 |
| Add: Unappropriated profit/(loss) brought forward | 20,901,935 | 24,809,654 |
| Profit available for appropriation | 31,766,925 | 31,989,872 |
| APPROPRIATIONS | | |
| Profit distribution @ 7 % (2017 @7%) | (9,651,893) | (9,651,893) |
| Statutory reserve 20% (2017 @20%) | (2,172,998) | (1,436,043) |
| Unappropriated profit carried forward | 19,942,043 | 20,901,935 |
| EPS | 0.79 | 0.52 |

Dividend:

The Board, in its meeting held on October 02, 2018, has approved the distribution of profit of Rs. 0.70 (7%) per certificate (2017: Rs.0.7 i.e 7%) of Rs. 10 each, subject to deduction of zakat and tax at source where applicable, for the year ended June 30, 2018.

An amount of Rs. 2.173 million has been transferred to statutory reserve in compliance with the Prudential Regulations for Modarabas which require that not less than 20% of the Modaraba's after tax profit be transferred to such reserve till such time as the reserve equals 100% of the paid-up capital.

Compliance with Code of Corporate Governance

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

- a) 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.
- b) Proper books of account of the Modaraba have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements.
- e) The system of internal control is sound and has been effectively implemented and monitored.
- f) The Modaraba is financially sound and there is no reason whatsoever to doubt its ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as detailed in the listing regulation of the Stock Exchange(s) and;

h) Board of Directors has total 7 directors including CEO. The composition of the board is as follows:

- Male: 7
- Female: 0

| Name of Director |
|--|
| Mr. Tanveer Ahmed Magoon, Chairman |
| Syed Wajih Hassan, Chief Executive |
| Mr. Pir Muhammad Kalia, Director |
| Mr. Abdul Razzak Jandga, Director |
| Mr. Nadeem Iqbal, Director |
| Mr. Humayun Mazhar Qureshi, Independent Director |
| Mr. Khalid Rehman, Independent Director |

- i) During the year under review, six (06) 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 | 6 | 3 |
| Syed Wajih Hassan, Chief Executive | 6 | 6 |
| Mr. Pir Muhammad Kalia, Director | 6 | 5 |
| Mr. Abdul Razzak Jandga, Director | 6 | 5 |
| Mr. Nadeem Iqbal, Director | 6 | 4 |
| Mr. Humayun Mazhar Qureshi, Independent Director | 6 | 5 |
| Mr. Khalid Rehman, Independent Director | 6 | 5 |

- j) During the year, five (05) meetings of the Audit Committee were held. Attendance by each member was as follows:

| Name of Director | Meetings Eligibility | Meeting Attended |
|---------------------------------------|----------------------|------------------|
| Mr. Humayun Mazhar Qureshi (Chairman) | 5 | 5 |
| Mr. Pir Muhammad Kalia, Director | 5 | 5 |
| Syed Wajih Hassan, Chief Executive | 5 | 4 |
| Mr. Nadeem Iqbal, Director | 5 | 3 |

- 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. Khalid Rehman, Chairman | 1 | 1 |
| Mr. Tanveer Ahmed Magoon, Director | 1 | 1 |
| Syed Wajih Hassan, Chief Executive | 1 | 1 |
| Mr. Nadeem Iqbal, Director | 1 | 1 |

Director Remuneration

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

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

On the recommendation of the Audit Committee, the Board has approved the appointment of the auditors M/s. Deloitte Yousuf Adil, Chartered Accountants as auditors for the year ending June 30, 2019 subject to approval by the Registrar Modaraba Companies and Modarabas.

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

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

Syed Wajih Hassan
Chief Executive Officer
Karachi
Date: October 02th 2018

| | | |
|---|---|---------------------------------------|
| 4 | 6 | ندیم اقبال صاحب، ڈائریکٹر |
| 5 | 6 | ہمایوں مظہر قریشی صاحب، آزاد ڈائریکٹر |
| 5 | 6 | خالد رحمان صاحب، آزاد ڈائریکٹر |

دوران سال آڈٹ کمیٹی کے ۱۵ اجلاس منعقد ہوئے جن کے ارکان کی حاضری درج ذیل ہے۔

| ڈائریکٹر کا نام | اجلاسوں میں مطلوبہ شرکت | اجلاسوں میں شرکت |
|---------------------------------|-------------------------|------------------|
| ہمایوں مظہر قریشی صاحب، چیئرمین | 5 | 5 |
| پیر محمد کالیہ صاحب، ڈائریکٹر | 5 | 5 |
| سید وجیہہ حسن، چیف ایگزیکٹو | 5 | 4 |
| ندیم اقبال صاحب، ڈائریکٹر | 5 | 3 |

دوران سال ایچ آر (ہیومن ریورس) کمیٹی کا ۱۱ اجلاس منعقد ہوا جس کے ارکان کی حاضری درج ذیل ہے۔

| ڈائریکٹر کا نام | اجلاسوں میں مطلوبہ شرکت | اجلاسوں میں شرکت |
|--------------------------------|-------------------------|------------------|
| خالد رحمان صاحب، چیئرمین | 1 | 1 |
| تنویر احمد گلوں صاحب، ڈائریکٹر | 1 | 1 |
| سید وجیہہ حسن، چیف ایگزیکٹو | 1 | 1 |
| ندیم اقبال صاحب، ڈائریکٹر | 1 | 1 |

ڈائریکٹرز کا مشاہرہ

ڈائریکٹرز کی بورڈ کے کسی بھی اجلاس میں شرکت پیرامانٹ انویسٹمنٹ لمیٹڈ کی متعین کردہ ڈائریکٹرز ریتلافن پالیسی کے تحت مقرر کی جاتی ہے۔

شرعی ایڈوائزر رپورٹ

مضاربہ مستقل طور پر شرعی مشیر مفتی فرحان فاروق کی زیر ہدایت کام کر رہا ہے اور حسب ضرورت اس بات کو یقینی بنا رہا ہے کہ تمام مالیاتی معاملات شرعی آڈٹ مکینزم کے تحت انجام دیے جائیں جو رجسٹرار مضاربہ کی ہدایات کے مطابق ہوں۔

آڈٹ کمیٹی کی سفارشات ہو مد نظر رکھتے ہوئے بورڈ نے آئندہ مالی سال، جو ۳۰ جون ۲۰۱۹ کو اختتام پزیر ہوگا، کیلئے میسرز ڈیلوائٹ یوسف عدل، چارٹرڈ اکاؤنٹنٹس کو آڈیٹر مقرر کیا ہے جو رجسٹرار مضاربہ کیپٹینز اینڈ مضاربہ کی منظوری سے مشروط ہوگا۔

مضاربہ کی انتظامیہ اور بورڈ آف ڈائریکٹرز ان تمام اداروں اور افراد جن کی مسلسل حمایت اور تعاون ہمیں حاصل رہا، کی شکر گزار ہے۔ ہم خصوصاً رجسٹرار مضاربہ، سکیورٹیز اینڈ اینڈیکسنگ کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کا شکریہ ادا کرتے ہیں۔

ہم تمام اسٹاف ارکان کی کارکردگی کے بھی معترف ہیں جنہوں نے وقتاً دیے گئے اہداف کو مکمل کرنے میں تندہی کا مظاہرہ کیا۔

سید وجیہہ حسن
چیف ایگزیکٹو آفیسر
کراچی
۱۲ اکتوبر ۲۰۱۸

فرسٹ پیرامانٹ مضاربہ کے مینیجرز، پیرامانٹ انویسٹمنٹ لمیٹڈ (پی آئی ایل) کے بورڈ آف ڈائریکٹرز کی جانب سے

کوڈ آف کارپوریٹ گورننس کی پاسداری:

- جیسا کہ کوڈ آف کارپوریٹ گورننس کا تقاضا ہے، آپ کی کمپنی کے ڈائریکٹرز بمسرت اس بات کی تصدیق کرتے ہیں کہ:
- مضاربہ کی انتظامیہ کی جانب سے تیار کی جانے والی مالی دستاویزات، شفاف انداز سے کمپنی کے معاملات، کاروباری نتائج، نقد رقوم کی ترسیل، اور سرمائے پر مبنی حصص میں رد و بدل کی نمائندگی کرتی ہیں۔
- مضاربہ کی جانب سے محاسبی کے کھاتوں کو باقاعدہ محفوظ رکھا جاتا ہے۔
- محاسبی کی مناسب پالیسیوں کو مستقل بنیادوں پر مالی دستاویزات کی تیاری میں استعمال کیا جاتا ہے اور محاسبی کے تمام تخمینے قرین قیاس ہیں۔
- مالیاتی دستاویز بناتے وقت پاکستان میں مستعمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کی مکمل پاسداری کو ممکن بنایا جاتا ہے۔
- اندرونی کنٹرول کا نظام انتہائی مربوط ہے اور موثر انداز میں اس کا نفاذ کرنے کے بعد اس کی نگرانی بھی کی جاتی ہے۔
- مضاربہ مالیاتی طور پر مستحکم ہے اور اس بات میں شک کی گنجائش نہیں ہے مضاربہ ہیجنگ کی بنیاد پر اپنا کاروبار چلا رہی ہے۔
- اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز میں مذکور کوڈ آف کارپوریٹ گورننس کی بہترین روایات سے مضاربہ نے کبھی ایسی کوئی روگردانی نہیں کی جو قابل محاسبہ ہو۔
- بورڈ آف ڈائریکٹرز، بشمول سی ای او، کل ڈائریکٹرز پر مشتمل ہے، جس کی تنظیم درج ذیل ہے۔

ڈائریکٹر کا نام

- تنویر احمد گلوں، چیئرمین
- سید وجیہہ حسن، چیف ایگزیکٹو
- پیر محمد کالیہ صاحب، ڈائریکٹر
- عبدالرزاق جاگلڑا صاحب، ڈائریکٹر
- ندیم اقبال صاحب، ڈائریکٹر
- ہمایوں مظہر قریشی صاحب، آزاد ڈائریکٹر
- خالد رحمان صاحب، آزاد ڈائریکٹر

- دوران سال بورڈ آف ڈائریکٹرز کے ۱۱۲ اجلاس منعقد ہوئے جن میں ڈائریکٹرز کی حاضری درج ذیل ہے۔

| ڈائریکٹر کا نام | اجلاسوں میں مطلوبہ شرکت | اجلاسوں میں شرکت |
|---------------------------------|-------------------------|------------------|
| تنویر احمد گلوں، چیئرمین | 6 | 3 |
| سید وجیہہ حسن، چیف ایگزیکٹو | 6 | 6 |
| پیر محمد کالیہ صاحب، ڈائریکٹر | 6 | 5 |
| عبدالرزاق جاگلڑا صاحب، ڈائریکٹر | 6 | 5 |

مالی نتائج:
مالی نتائج مختصر ادرج ذیل ہیں

| ۳۰ جون ۲۰۱۷ کو ختم ہونے والا سال (رقم روپوں میں) | ۳۰ جون ۲۰۱۸ کو ختم ہونے والا سال (رقم روپوں میں) | |
|---|---|--------------------------------------|
| 7,180,218 | 10,864,989 | منافع بعد از ٹیکس |
| 24,809,654 | 20,901,935 | سال کے آغاز پر غیر منقسم شدہ منافع |
| 31,989,872 | 31,766,925 | منافع دستیاب برائے تقسیم |
| | | اختصاصات |
| (9,651,893) | (9,651,893) | ڈیویڈنڈ برائے تقسیم |
| (1,436,043) | (2,172,998) | منتقلی برائے قانونی ذخائر |
| 20,901,935 | 19,942,043 | سال کے اختتام پر غیر منقسم شدہ منافع |
| 0.52 | 0.79 | آمدن فی حصص |

منافع منقسمہ:

۴ اکتوبر ۲۰۱۸ء کو منعقد ہونے والی بورڈ میٹنگ میں مضاربہ کے ڈائریکٹرز نے ۷۰ پیسے فی حصص (۷ فیصد) (ایک حصص کی قیمت دس روپے ہے) منافع کی تقسیم کا کی منظوری دی ہے۔ جس میں ۳۰ جون ۲۰۱۸ء تک نافذ قوانین کے تحت ٹیکس اور زکوٰۃ کی کٹوتی کی جائے گی۔ پروڈنشل ضابطوں کی تعمیل میں ۱۷۳ ملین روپے کی رقم کو قانونی ذخائر میں منتقل کیا گیا ہے۔ پروڈنشل ضابطوں کا تقاضا ہے کہ کم از کم ۲۰ فیصد منافع بعد از ٹیکس کو اس طرح کے ذخائر میں منتقل کیا جائے تاکہ یہ ذخائر ادا شدہ سرمائے کے ۱۰۰ فیصد مساوی نہ ہو جائیں۔

ڈائریکٹرز رپورٹ برائے حصص یافتگان، فرسٹ پیرامونٹ مضاربہ:

پیرامونٹ انوسمنٹ لمیٹڈ، جو کہ فرسٹ پیرامونٹ مضاربہ کی مینجمنٹ کمپنی ہے، کے ڈائریکٹر 30 جون 2018 کو اختتام پزیر ہونے والے مالی سال کے مالیاتی نتائج بمعہ شریعہ ایڈوائزر کی سند اور ایکسٹرنل آڈیٹر کی رپورٹ، اپنے حصص یافتگان کو بمسرت پیش کرتے ہیں،

الحمد للہ، مضاربہ نے رواں سال، =/10,864,989 روپے کا خالص منافع ارسال کیا ہے۔ گزشتہ سال منافع =/7,180,218 روپے تھا، نتیجتاً رواں سال فی حصص آمدنی =/0.79 روپے پر کھڑی ہے۔ جو کہ گزشتہ سال =/0.52 روپے فی حصص تھی۔

گزشتہ سال کے مقابلے میں مضاربہ کے منافع میں 51 فیصد اضافہ ہوا، ہے، جس کی بنیادی وجہ گزشتہ سال مضاربہ نے تجارتی وصولیوں کی مد میں ایک رقم کو زائد المیعاد ہونے کی وجہ سے مشتبہ قرار دیا تھا۔ اس کے علاوہ ویونگ یونٹ اور جزیٹرز کے مد میں ہونے والے خسارے کو برداشت بھی کیا تھا۔

مالی سال 2017-18 مضاربہ کے کاروبار کے لئے ایک ہموار سال تھا، یہ اس کے ہے کہ مضاربہ کے ایک بزنس یونٹ FPM Solution کے کاروباری مسائل رہے ہیں، جس کے حل کے لئے مضاربہ کی انتظامیہ مستقل کوشاں ہے۔ جو مستقبل میں مضاربہ کے مالیاتی نتائج کو مزید مستحکم کرنے کا باعث بنیں گے۔ ایک مثبت پہلو یہ بھی ہے کہ اس سال مضاربہ نے سندھ ورکرز ویلفیئر فنڈ کی مد میں اضافی اخراجات ریکارڈ کیئے ہیں اس کے باوجود مضاربہ کے منافع میں اضافہ دیکھا گیا ہے۔

مضاربہ کی انتظامیہ مسلسل اپنی ایکویٹی میں اضافے کی کوشش کر رہی ہے، لیکن اسٹاک مارکیٹ کے غیر مستحکم ہونے کی وجہ سے ہماری کوششوں کا کوئی مثبت نتیجہ تا حال حاصل نہیں ہو سکا، فی الوقت سرٹیفکیٹ آف مشارکہ (COM) کے ذریعے کاروبار کی مالی ضروریات کو پورا کیا جا رہا ہے۔

مضاربہ کی انتظامیہ اور اس کا بورڈ مضاربہ کے منافع میں اضافے کے لئے نئے امکانات کی جستجو میں ہے، اسی طرح ایکویٹی میں اضافے کی کوشش بھی جاری ہے۔ ان سب کاوشوں کی بنیاد پر ہم پر اعتماد ہیں کہ انشاء اللہ آئندہ مالی سال میں ہم اپنے مضاربہ سے استفادہ حاصل کرنے والے افراد کو مزید خوشخبریاں سنائیں گے۔

First Paramount Modaraba

(An Islamic Financial Institution)



Key operating & Financial Data

| Particulars | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Audited | Audited | Audited | Audited | Audited | Audited | Audited | Audited | Audited | Audited |
| Paid up Capital | 58,633,330 | 58,633,330 | 58,633,330 | 58,633,330 | 58,633,330 | 76,223,330 | 119,899,298 | 137,884,193 | 137,884,193 | 137,884,193 |
| Certificate Holders Equity | 118,845,855 | 126,764,062 | 144,005,903 | 153,804,949 | 175,671,354 | 179,492,026 | 206,414,825 | 215,768,010 | 212,606,944 | 213,140,985 |
| Current Liabilities | 92,633,029 | 103,622,723 | 61,613,599 | 42,062,560 | 42,547,400 | 61,773,184 | 88,724,801 | 89,490,384 | 66,711,658 | 103,055,448 |
| Total Liabilities | 108,390,167 | 121,777,913 | 101,429,703 | 115,362,201 | 111,772,182 | 141,575,613 | 233,436,683 | 294,677,925 | 253,252,834 | 231,075,013 |
| Fixed Assets | 59,509,743 | 29,103,860 | 31,584,091 | 31,698,742 | 52,561,369 | 60,188,077 | 55,644,542 | 34,152,161 | 24,617,224 | 24,786,815 |
| Current Assets | 141,753,393 | 184,094,788 | 131,819,740 | 164,523,535 | 158,083,708 | 183,981,874 | 283,868,931 | 377,680,851 | 348,040,978 | 316,175,993 |
| Total Assets | 227,236,032 | 248,541,975 | 245,435,606 | 269,167,150 | 266,954,068 | 321,067,638 | 439,851,508 | 510,445,965 | 465,859,778 | 444,215,971 |
| Operating Profit | 20,108,430 | 18,570,219 | 30,884,267 | 26,506,919 | 18,564,957 | 14,013,133 | 11,473,070 | 14,734,586 | 8,113,241 | 12,545,848 |
| Profit before Tax | 18,097,587 | 16,713,197 | 27,795,840 | 23,573,487 | 16,411,422 | 12,387,610 | 10,153,667 | 13,040,109 | 7,180,218 | 11,060,928 |
| Taxation | - | - | - | - | - | - | - | - | - | 195,939 |
| Profit after Tax | 18,097,587 | 16,713,197 | 27,795,840 | 23,573,487 | 16,411,422 | 12,387,610 | 10,153,667 | 13,040,109 | 7,180,218 | 10,864,989 |
| Dividend | 15.0% | 18.0% | 23.5% | 23.5% | 11.0% | 13.0% | 8.0% | 7.5% | 7.0% | 7.0% |
| Bonus Certificate | 0% | 0% | 0% | 0% | 10.0% | 10.0% | 15.0% | 0.0% | 0.0% | 0.0% |
| Earning per Certificate | 3.09 | 2.85 | 4.74 | 4.02 | 2.20 | 1.48 | 1.02 | 0.95 | 0.52 | 0.79 |
| Break-up Value | 20.27 | 21.62 | 24.56 | 26.23 | 23.05 | 21.41 | 17.22 | 15.65 | 15.42 | 15.46 |

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CORPORATE GOVERNANCE) REGULATIONS, 2017

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

Year ended June 30, 2018

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

1. The total number of directors are seven as per the following:

- a. Male: Seven
- b. Female: None

2. The composition of board is as follows:

| Category | Names |
|----------------------------------|---|
| a) Independent Directors | Mr. Humayun Mazhar Qureshi Mr. Khalid Rehman |
| b) Other Non-Executive Directors | Mr. Tanveer Ahmed Magoon Mr. Pir Muhammad Kalia Mr. Abdul Razzak Jangda Mr. Nadeem Iqbal |
| c) Executive Director | Syed Wajih Hassan |

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Management Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Modaraba has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company and Modaraba along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Modaraba. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Out of total 7 directors, three directors of the Management Company have minimum of 14 years of education and 15 years of experience on the board of listed companies and therefore are exempt from director's training program. One other director have completed the Director's Training Program from Institute of Chartered Accountants of Pakistan (ICAP). The remaining 3 director will undertake the Director's Training Program within the stipulated time. Further, the Company is in process to arrange the orientation course in due course.
10. No new appointments of CFO, Company Secretary and Head of Internal Audit were made during the year.
11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:
 - a) Audit Committee
Mr. Humayun Mazhar Qureshi – (Chairman)
Mr. Pir Muhammad Kalia
Mr. Nadeem Iqbal
 - b) HR and Remuneration Committee
Mr. Khalid Rehman – (Chairman)
Mr. Nadeem Iqbal
Mr. Tanveer Ahmed Magoon
Mr. Syed Wajih Hassan
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committee were as per following:
 - a) Audit Committee – five quarterly meetings during the financial year ended June 30, 2018 (except in first quarter ended September 2017)
 - b) HR and Remuneration Committee (One meeting during the financial year ended June 30, 2018.)
15. The Board has outsourced the internal audit function 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 Modaraba. However, a full time employee as a Head of Internal Audit has not been appointed or designated to act as coordinator between the firm and the board.
16. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold certificates of the Modaraba and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
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 other requirements of the Regulations have been complied with except for the following:
 - Secretary to the Audit Committee is neither Company secretary nor Head of Internal Audit.
 - Chief Financial Officer and Company Secretary are not the separate person.

Dated: October 02, 2018

TANVEER AHMED MAGOON
Chairman

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of First Paramount Modaraba

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of PARAMOUNT INVESTMENTS LIMITED (the Management Company) for the year ended June 30, 2018 in respect of FIRST PARAMOUNT MODARABA (the Modaraba) in accordance with the requirements of regulation 40 of the Regulations.

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

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

The Regulations require the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Management Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Management Company for the year ended June 30, 2018.

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:

| Sr # | Paragraph reference | Description |
|------|---------------------|--|
| 1 | 28 (2)(a) | Five meetings of Audit Committee were held during the year prior to approval of interim and final results of the Modaraba as required by the CCG, however final results were approved in October 2017. |
| 2 | 32(2)(b) | Internal audit function has been outsourced to a professional firm of Chartered Accountants, however, a full time employee as a Head of |

Internal Audit has not been appointed or designated to act as coordinator between the firm and the board.

- | | | |
|---|----|--|
| 3 | 28 | <ul style="list-style-type: none">- Secretary to the audit committee is neither Company secretary nor Head of Internal Audit. - Chief Financial Officer and Company secretary are not the separate persons. |
|---|----|--|

Chartered Accountants

Place: Karachi
Date: October 02, 2018

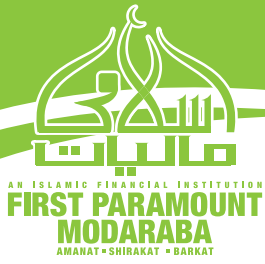
AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of First Paramount Modaraba (the Modaraba) as at June 30, 2018 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) in our opinion, proper books of account have been kept by the Modaraba Management Company in respect of the Modaraba required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of accounts and are further in agreement with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, in the manner so



First Paramount Modaraba
(An Islamic Financial Institution)

required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2018 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Dated: October 02, 2018
Place: Karachi

Shariah Advisor's Report

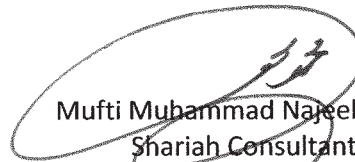
I have conducted the Shariah review of First Paramount Modaraba managed by Paramount Investments Limited Modaraba Company for the financial year ended June 30th 2018, in accordance with the requirements as reported hereunder, in my opinion:

1. The Modaraba has introduced a mechanism which has strengthened the Shariah compliance in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shariah principles.
2. Following were the major developments that took place during the year:
 - (A) Research and new product development (Brief on the research and new product development, if applicable)
3. The agreement(s) entered into by the Modaraba are Shariah compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board and all the related conditions have been met.
4. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shariah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shariah Compliance and Shariah Audit Regulations for Modaraba's.
5. Profit sharing ratios, profits and charging of losses (if any) relating to any deposit raising product conforms to the basis and principles of Shariah.

Observation(s) Nil
Recommendation (s) Nil
Dated: September 17, 2018



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



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

**FIRST PARAMOUNT MODARABA
BALANCE SHEET
AS AT JUNE 30, 2018**

| | | June 30, 2018 | June 30, 2017 |
|--|-------------|----------------------|--------------------|
| ASSETS | | | |
| NON CURRENT ASSETS | Note | ----- (Rupees) ----- | |
| Fixed assets | 4 | 24,786,815 | 24,617,224 |
| Murabaha financing | 5 | 70,696,277 | 61,711,672 |
| Diminishing musharaka financing | 6 | 9,416,233 | 14,123,935 |
| Musharaka financing | 7 | 21,968,000 | 16,550,000 |
| Loans to employees | 8 | 730,334 | 354,000 |
| Long-term deposits | | 442,319 | 461,969 |
| | | <u>128,039,978</u> | <u>117,818,800</u> |
| CURRENT ASSETS | | | |
| Stores and spare parts | | 2,863,760 | 2,419,927 |
| Trade debtors | 9 | 88,701,104 | 64,681,950 |
| Advances, deposits, prepayments and other receivables | 10 | 26,868,562 | 29,367,016 |
| Modaraba financing | 11 | 15,611,512 | 25,237,915 |
| Short-term murabaha financing | 12 | 4,465,398 | 10,106,145 |
| Current portion of murabaha financing | 5 | 98,833,274 | 116,965,006 |
| Current portion of diminishing musharaka financing | 6 | 4,004,194 | 7,081,226 |
| Current portion of musharaka financing | 7 | 7,004,470 | 15,504,470 |
| Current portion of loans to employees | 8 | 538,000 | 227,000 |
| Receivable against sale of weaving unit | | 1,965,000 | 5,230,000 |
| Advances against murabaha | 13 | 11,100,084 | 700,080 |
| Accrued profit | | 7,503,649 | 4,848,203 |
| Advance income tax | | 21,137,910 | 11,606,317 |
| Cash and bank balances | 14 | 25,579,076 | 54,065,723 |
| | | <u>316,175,993</u> | <u>348,040,978</u> |
| | | <u>444,215,971</u> | <u>465,859,778</u> |
| CAPITAL AND RESERVES | | | |
| Authorised certificate capital 25,000,000 (2017: 25,000,000) certificates of Rs.10 each | | <u>250,000,000</u> | <u>250,000,000</u> |
| Issued, subscribed and paid-up certificate capital | 15 | 137,884,193 | 137,884,193 |
| Capital reserves | 16 | 47,387,117 | 44,168,925 |
| Unappropriated profit | | <u>27,869,648</u> | <u>30,553,826</u> |
| | | <u>213,140,958</u> | <u>212,606,944</u> |
| NON CURRENT LIABILITIES | | | |
| Deferred income | 17 | 17,714,976 | 15,839,670 |
| Certificates of musharaka | 18 | 110,304,589 | 170,701,506 |
| | | <u>128,019,565</u> | <u>186,541,176</u> |
| CURRENT LIABILITIES | | | |
| Creditors, accrued and other liabilities | 19 | 16,033,308 | 17,443,915 |
| Current portion of deferred income | 17 | 14,039,420 | 18,854,228 |
| Current portion of certificates of musharaka | 18 | 58,565,000 | 16,715,000 |
| Unclaimed profit distributions | | 14,417,720 | 13,698,515 |
| | | <u>103,055,448</u> | <u>66,711,658</u> |
| | | <u>444,215,971</u> | <u>465,859,778</u> |
| CONTINGENCIES AND COMMITMENTS | 20 | | |

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive

Director

Director

**FIRST PARAMOUNT MODARABA
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018**

| | Note | June 30, 2018 ----- (Rupees) ----- | June 30, 2017 ----- |
|--|------|--|---------------------------|
| Operating income | 21 | 257,140,117 | 202,191,071 |
| Operating costs | | | |
| Operating expenses | 22 | 233,126,911 | 178,129,713 |
| Provision for doubtful recoveries - net | 23 | 1,298,111 | 2,697,358 |
| | | (234,425,022) | (180,827,071) |
| | | 22,715,095 | 21,364,000 |
| Gain on sale of fixed assets - net | | 2,231 | 505,702 |
| Impairment loss on weaving unit | | - | (2,114,399) |
| Other income | 24 | 810,133 | 1,632,226 |
| Financial charges | 25 | (10,386,574) | (16,021,601) |
| | | 13,140,885 | 5,365,928 |
| Modaraba company's management fee inclusive of sales tax | 26 | (1,484,920) | (933,023) |
| | | 11,655,965 | 4,432,905 |
| (Provision) / reversal for Sindh Worker's Welfare Fund | 19.1 | (595,037) | 2,747,313 |
| Profit before tax | | 11,060,928 | 7,180,218 |
| Taxation | 27 | (195,939) | - |
| Profit for the year | | 10,864,989 | 7,180,218 |
| Earnings per certificate - basic and diluted | 28 | 0.79 | 0.52 |

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive

Director

Director

**FIRST PARAMOUNT MODARABA
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2018**

| | June 30, 2018 | June 30, 2017 |
|--|--------------------------|-------------------------|
| | ----- (Rupees) ----- | |
| Profit for the year | 10,864,989 | 7,180,218 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u><u>10,864,989</u></u> | <u><u>7,180,218</u></u> |

The annexed notes from 1 to 38 form an integral part of these financial statements.

 Chief Executive

 Director

 Director

**FIRST PARAMOUNT MODARABA
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018**

| Note | June 30, 2018 ----- (Rupees) ----- | June 30, 2017 ----- |
|---|--|---------------------------|
| Profit before tax | 10,864,989 | 7,180,218 |
| Adjustments for: | | |
| Depreciation | 1,517,522 | 1,568,266 |
| Amortisation | 271,430 | 387,757 |
| Reversal for workers' welfare fund | - | (2,747,313) |
| Provision for sindh workers' welfare fund | 595,037 | - |
| Financial charges | 10,386,574 | 16,021,601 |
| Provision for doubtful debts - net | 1,298,111 | 2,697,358 |
| Gain on sale of fixed assets - net | (2,231) | (505,702) |
| Loss on disposal of weaving unit | - | 2,114,399 |
| Taxation | 195,939 | - |
| Operating profit before working capital changes | <u>25,127,371</u> | <u>26,716,584</u> |
| (Increase) / decrease in assets | | |
| Murabaha receivables - net | 14,525,229 | 11,591,048 |
| Diminishing musharaka receivables - net | 7,784,734 | (10,746,515) |
| Musharaka financing - net | 3,082,000 | 20,803,127 |
| Modaraba financing - net | 9,626,403 | 588,085 |
| Stores and spares | (443,833) | 1,924,865 |
| Long-term deposits | 19,650 | (60,000) |
| Trade debtors | (25,054,620) | 5,977,462 |
| Loan to employees | (687,334) | (132,658) |
| Advance against murabaha | (10,400,004) | 2,760,000 |
| Advances, deposit, prepayments and other receivables | 1,819,373 | 6,620,724 |
| Accrued profit | (2,655,446) | 1,461,804 |
| Receivable against sale of weaving unit | 3,265,000 | (5,230,000) |
| Increase / (decrease) in liabilities | | |
| Creditors, accrued and other liabilities | (2,201,583) | (2,193,386) |
| Payable to Management Company | - | (2,423,419) |
| Net cash generated from operations | <u>23,806,940</u> | <u>57,657,721</u> |
| Income tax paid | (9,531,593) | (8,551,469) |
| Financial charges paid | (10,386,574) | (16,021,601) |
| Net cash generated from operating activities | <u>3,888,773</u> | <u>33,084,651</u> |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (1,992,791) | (2,008,942) |
| Purchase of intangible assets | - | (234,722) |
| Additions to capital work-in-progress - net | (150,000) | (422,000) |
| Proceed from sale of weaving unit | - | 14,915,751 |
| Proceed from sale of tangible assets | 186,479 | 10,750,280 |
| Net cash (used in) / generated from investing activities | <u>(1,956,312)</u> | <u>23,000,367</u> |
| Cash flows from financing activities | | |
| Certificate of Musharaka - net | (18,546,917) | (40,324,500) |
| Deferred income | (2,939,502) | 2,030,931 |
| Profit distributed | (8,932,689) | (9,321,107) |
| Net cash used in financing activities | <u>(30,419,108)</u> | <u>(47,614,676)</u> |
| Net (decrease) / increase in cash and cash equivalents | <u>(28,486,647)</u> | <u>8,470,342</u> |
| Cash and cash equivalents at beginning of the year | <u>54,065,723</u> | <u>45,595,381</u> |
| Cash and cash equivalents at end of the year | <u>25,579,076</u> | <u>54,065,723</u> |

14

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive

Director

Director

**FIRST PARAMOUNT MODARABA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018**

| | Issued, subscribed and paid up certificate capital | Reserves | | | Total reserve | Total equity and total reserve |
|---|--|----------------------|--------------------------|-------------------|-------------------|-----------------------------------|
| | | Capital reserve | | Revenue reserve | | |
| | Merger reserve | Statutory reserve | Unappropriated profit | | | |
| ----- (Rupees) ----- | | | | | | |
| Balance at July 01, 2016 - as restated | 137,884,193 | 1,935,160 | 40,797,721 | 35,150,966 | 77,883,847 | 215,768,040 |
| Transactions with owners | | | | | | |
| Profit distribution for the year ended June 30, 2016 @ Re.0.75 per certificate | - | - | - | (10,341,314) | (10,341,314) | (10,341,314) |
| Total comprehensive income for the year ended June 30, 2017 | | | | | | |
| Profit for the year | - | - | - | 7,180,218 | 7,180,218 | 7,180,218 |
| Other comprehensive income | - | - | - | 7,180,218 | 7,180,218 | 7,180,218 |
| Transferred to statutory reserve @ 20% (refer note 16.1) | - | - | 1,436,044 | (1,436,044) | - | - |
| Balance at June 30, 2017 | 137,884,193 | 1,935,160 | 42,233,765 | 30,553,826 | 74,722,751 | 212,606,944 |
| Transactions with owners | | | | | | |
| Profit distribution for the year ended June 30, 2017 @ Re.0.7 per certificate | - | - | - | (9,651,894) | (9,651,894) | (9,651,894) |
| Transferred to statutory reserve @ 20% | - | - | 2,172,998 | (2,172,998) | - | - |
| Transferred to statutory reserve (note 16.1) | - | - | 1,045,194 | (1,045,194) | - | - |
| Management fee | - | - | - | (679,081) | (679,081) | (679,081) |
| Total comprehensive income for the year ended June 30, 2018 | | | | | | |
| Profit for the year | - | - | - | 10,864,989 | 10,864,989 | 10,864,989 |
| Other comprehensive income | - | - | - | 10,864,989 | 10,864,989 | 10,864,989 |
| Balance at June 30, 2018 | 137,884,193 | 1,935,160 | 45,451,957 | 27,869,648 | 75,256,765 | 213,140,958 |

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive

Director

Director

**FIRST PARAMOUNT MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

1. LEGAL STATUS AND OPERATIONS

First Paramount Modaraba (the Modaraba) is a multi purpose, perpetual and multidimensional Modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed there under and is managed by Paramount Investments Limited (the Management Company), a company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on June 26, 1994. The Modaraba is listed on the Pakistan Stock Exchange Limited. The registered office of the Modaraba is situated at Karachi, in the province of Sindh. The modaraba has a branch office situated in Islamabad, in the province of Punjab. Modaraba's principal activities include deployment of funds on murabaha, modaraba and musharaka arrangements and its in-house ventures are (a) Generator rental and sale project under the name "AL-BURQ Associates", (b) Electrical maintenance and troubleshooting services' under the name of "FPM Solutions" and (c) Chemical business under the name of "FPM Petro Services"

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), provisions of and directives issued under Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984, Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Islamic Financial Accounting Standards (IFAS) or the directives issued by the Securities and Exchange Commission of Pakistan shall prevail

The SECP, Special Compliance Division, vide Circular no. 10 of 2004 dated February 13, 2004 deferred the application of IAS 17 'Leases' to Modarabas till further orders.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis.

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

2.3 Functional and presentation currency

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

2.4 Amendments to accounting standards that are effective for the year ended June 30, 2018

The following amendments are effective for the year ended June 30, 2018. These 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.

Amendments

**Effective date (accounting period
beginning on or after)**

Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative

January 01, 2017

Amendments

Effective date (accounting period beginning on or after)

Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses

January 01, 2017

Certain annual improvements have also been made to a number of IFRSs

Standards, interpretations and amendments to published approved accounting standards that are not yet effective

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.

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.

January 01, 2018

IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.

An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018.

IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.

July 01, 2018

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities

January 01, 2019

IFRS 15 'Revenue' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.

July 01, 2018

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture

Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.

Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

January 01, 2019

Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property

January 01, 2018. Earlier application is permitted.

IFRS 16 'Leases': This standard will supersede IAS 17 'Leases' upon its effective date.

January 01, 2019

Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.

January 01, 2019

IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.

January 01, 2018. Earlier application is permitted.

Amendments

Effective date (accounting period beginning on or after)

IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.

January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (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 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

The above standards and amendments are not expected to have any material impact on the Modaraba's financial statements in the period of initial application except for IFRS 15 - Revenue From Contracts With Customers and IFRS 9- Financial Instruments .The Modaraba is currently evaluating the impact of the said standard.

2.5 Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of 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 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 and underlying 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.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are discussed in the following notes:

- i) Provision for doubtful recoveries (note 3.10)
- ii) Estimation of useful lives of tangible and intangible assets (note 3.1 and 3.2)
- iii) Classification and valuation of investment and financing facilities (note 3.3, 3.5, 3.6 and 3.7)
- iv) Provision for taxation (note 27)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace a component of tangible fixed asset is capitalized and the asset so replaced is retired from use. Normal repairs and maintenance are charged to the profit and loss account as and when incurred. Major renewals and improvements are capitalized, if recognition criteria are met.

Depreciation is charged to profit and loss account applying the reducing balance method except for generators which are depreciated using units of production method on the basis of working hours of generators and shuttleless looms . In respect of additions and disposals during the year, depreciation is charged proportionately for the period of use.

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

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

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

Capital work-in-progress is stated at cost less impairment losses, if any. Cost consists of expenditure incurred and advances made in the course of their acquisition, construction and installation. Transfers are made to relevant asset category as and when the assets are available for intended use.

3.2 Intangible assets

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

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

3.3 Investments and other financial assets

3.3.1 Classification

The management determines the classification of its financial assets in accordance with the requirements of International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and Measurement', at the time of initial recognition.

The Modaraba classifies its financial assets in the following categories:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the 'Financial assets at fair value through profit or loss' category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Held to maturity

Financial assets with fixed or determinable maturity where management has both the positive intent and ability to hold till maturity are classified as held to maturity.

d) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss, (b) loans and receivables or (c) held to maturity.

3.3.2 Regular way contracts

All regular purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention are recognized on the trade date - the date on which the Modaraba commits to purchase or sell the assets.

3.4 Loans to employees

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

3.5 Murabaha financing

Murabaha transactions are reflected as receivable at the invoiced amount. Actual sale and purchase are not reflected as the goods are purchased by the customer as agent of the Modaraba and all documents relating to purchase are in customer name. However the profit on that sale revenue not due for payment is deferred by recording a credit to "Deferred Murabaha Income" account.

3.6 Modaraba financing

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

3.7 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 periodic profit payments agreement for the utilization of the Modaraba's Musharaka share by the customer. The customer with each rental payments also purchases Modaraba's Musharaka share by paying additional amount and therefore becomes the sole owner of the subject asset at the maturity of the diminishing musharaka.

b) Musharaka financing

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

3.8 Cash and cash equivalents

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

3.9 Stores and spare parts

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

3.10 Trade debtors and other receivables

Trade debtor and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at reporting date. The provision is established when there is objective evidence that modaraba will not be able to recover that amount and write off such debts which are considered irrecoverable.

3.11 Joint Operations (Musharaka arrangements)

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

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

3.12 Certificates of musharaka

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

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

3.13 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.

3.14 Employee benefits

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.

Compensated absences

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

3.15 Offsetting

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

3.16 Impairment

3.16.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Provision for non-performing murabaha receivables and diminishing musharaka, is made in accordance with the Prudential Regulations for modarabas issued by SECP vide Circular No. 4 of 2004 dated January 28, 2004 and subsequent amendments made therein and is charged to profit and loss account currently.

3.16.2 Non financial assets

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

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

3.17 Revenue recognition

- Profit / return on deposits / investments is recognized using tentative profit rates.
- Income from Murabaha is accounted for on finalization of Murabaha transaction. However, profit on that portion of revenue not due for payment (deferred murabaha income) is deferred and recognized on time proportionate basis.
- Musharaka management fee is recognized when related services are provided.
- Rental income from generators is recognized on time proportionate basis.
- Revenue from sales of goods is recorded on dispatch of goods to customers and is recognized when the significant risks and rewards of ownership are transferred to customer.
- Profit on diminishing musharaka financing is recognized using tentative profit rates.
- Profit on musharaka financing is recognized on declaration of profit by musharaka partners on accrual basis.
- Realized capital gains / (losses) arising on sale of investments are included in the profit and loss account on the date at which the transaction takes place.
- Unrealized gains / (losses) arising on revaluation of investments classified as 'available for sale' are included in the statement of comprehensive income in the period in which they arise.

3.18 Earnings per certificate (EPC)

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

3.19 Taxation

Current

Provision for current taxation is made on taxable income at the prevailing rates of tax after taking into account tax credits available, if any. The income of non-trading Modarabas is *exempt*. For trading income, Provision for taxation is based on taxable income for the year at the current rates of taxation after taking into account tax credits and exemptions available, if any. *mpt* from tax provided that not less than ninety percent of their profits are distributed to the certificate holders. The Modaraba has decided to continue availing the tax exemption and hence no provision has been made in these financial statements for tax liability for the current year.

Deferred

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

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

3.20 Operating segments

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

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

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

3.21 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.

3.22 Profit distributions and appropriations

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

3.23 Foreign currency transactions

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

| | Note | June 30, 2018 ----- (Rupees) | June 30, 2017 ----- |
|---------------------------------------|------|------------------------------------|---------------------------|
| 4. FIXED ASSETS | | | |
| Tangible | 4.1 | 23,503,477 | 23,212,456 |
| Intangible | 4.2 | 633,338 | 904,768 |
| Capital work-in-progress - intangible | 4.3 | 650,000 | 500,000 |
| | | <u>24,786,815</u> | <u>24,617,224</u> |

4.1 Tangible

| | 2018 | | | | | 2017 | | | | |
|----------------------------|-------------------|------------------|---------------------|-------------------|--------|-------------------|------------------|--------------------|-------------------|-------------------------------------|
| | At July 01, 2017 | Additions | Disposals | At June 30, 2018 | Rate % | At July 01, 2017 | For the year | On disposals | At June 30, 2018 | Written down value at June 30, 2018 |
| | (Rupees) | | | | | (Rupees) | | | | |
| Generators * | 19,668,315 | - | - | 19,668,315 | * | 3,811,666 | 209,535 | - | 4,021,201 | 15,647,114 |
| Computers | 1,690,985 | 52,500 | - | 1,743,485 | 30 | 1,322,462 | 122,502 | - | 1,444,964 | 298,521 |
| Office and other equipment | 2,912,571 | 220,891 | (116,325) | 3,017,137 | 10 | 622,671 | 377,852 | (33,807) | 966,716 | 2,050,421 |
| Furniture and fixtures | 3,321,248 | 66,000 | - | 3,387,248 | 10 | 1,446,303 | 190,691 | - | 1,636,994 | 1,750,254 |
| Vehicles | 5,854,423 | 1,653,400 | (221,382) | 7,286,441 | 20 | 3,031,984 | 616,942 | (119,652) | 3,529,274 | 3,757,167 |
| | <u>33,447,542</u> | <u>1,992,791</u> | <u>(337,707)</u> | <u>35,102,626</u> | | <u>10,235,086</u> | <u>1,517,522</u> | <u>(153,459)</u> | <u>11,599,149</u> | <u>23,503,477</u> |
| | 2018 | | | | | 2017 | | | | |
| | At July 01, 2016 | Additions | Disposals | At June 30, 2017 | Rate % | At July 01, 2016 | For the year | On disposals | At June 30, 2017 | Written down value at June 30, 2017 |
| | (Rupees) | | | | | (Rupees) | | | | |
| Generators * | 31,894,411 | - | (12,226,096) | 19,668,315 | * | 6,228,464 | 197,705 | (2,614,503) | 3,811,666 | 15,856,649 |
| Computers | 1,578,036 | 112,949 | - | 1,690,985 | 30 | 1,197,114 | 125,348 | - | 1,322,462 | 368,523 |
| Office and other equipment | 1,057,712 | 1,877,859 | (23,000) | 2,912,571 | 10 | 339,783 | 297,531 | (14,643) | 622,671 | 2,289,900 |
| Furniture and fixtures | 3,303,114 | 18,134 | - | 3,321,248 | 10 | 1,237,035 | 209,268 | - | 1,446,303 | 1,874,945 |
| Vehicles | 7,346,651 | - | (1,492,228) | 5,854,423 | 20 | 3,161,170 | 738,414 | (867,600) | 3,031,984 | 2,822,439 |
| | <u>45,179,924</u> | <u>2,008,942</u> | <u>(13,741,324)</u> | <u>33,447,542</u> | | <u>12,163,566</u> | <u>1,568,266</u> | <u>(3,496,746)</u> | <u>10,235,086</u> | <u>23,212,456</u> |

* These are the generators available for jarah. Depreciation is charged on working hours basis. The useful hours ranges from 21,600 to 50,000

4.2 Intangible

| | 2018 | | | | | | | Written down value at June 30, 2018 |
|-------------------|----------------------|------------------|------------------|--------------------------|------------------|------------------|------------------|-------------------------------------|
| | Cost | | | Accumulated amortisation | | | | |
| | At July 01, 2017 | At June 30, 2018 | Rate % | At July 01, 2017 | For the year | At June 30, 2018 | | |
| | ----- (Rupees) ----- | | | ----- (Rupees) ----- | | | | |
| Computer software | <u>2,140,563</u> | <u>-</u> | <u>2,140,563</u> | <u>30</u> | <u>1,235,795</u> | <u>271,430</u> | <u>1,507,225</u> | <u>633,338</u> |

| | 2017 | | | | | | | Written down value at June 30, 2017 |
|-------------------|----------------------|------------------|------------------|--------------------------|----------------|------------------|------------------|-------------------------------------|
| | Cost | | | Accumulated amortisation | | | | |
| | At July 01, 2016 | At June 30, 2017 | Rate % | At July 01, 2016 | For the year | At June 30, 2017 | | |
| | ----- (Rupees) ----- | | | ----- (Rupees) ----- | | | | |
| Computer software | <u>1,905,841</u> | <u>234,722</u> | <u>2,140,563</u> | <u>30</u> | <u>848,038</u> | <u>387,757</u> | <u>1,235,795</u> | <u>904,768</u> |

4.3 Capital work-in-progress - intangible

| | Note | June 30, 2018 | June 30, 2017 |
|---------------------------|------|----------------------|----------------------|
| | | ----- (Rupees) ----- | ----- (Rupees) ----- |
| Opening balance | | 500,000 | 78,000 |
| Additions during the year | | 150,000 | 500,000 |
| Expensed during the year | | - | (78,000) |
| Closing balance | | <u>650,000</u> | <u>500,000</u> |

5. MURABAHA FINANCING - secured

| | | | |
|---------------------------------------|-----|---------------------|----------------------|
| Considered good | | 169,529,551 | 178,676,678 |
| Considered doubtful | | <u>3,025,735</u> | <u>2,763,090</u> |
| Provision for doubtful recoveries | 5.1 | 172,555,286 | 181,439,768 |
| | 5.2 | <u>(3,025,735)</u> | <u>(2,763,090)</u> |
| Current portion of murabaha financing | | <u>169,529,551</u> | <u>178,676,678</u> |
| | | <u>(98,833,274)</u> | <u>(116,965,006)</u> |
| | | <u>70,696,277</u> | <u>61,711,672</u> |

5.1 Murabaha sale price is receivable in installments. Effective profit rate on these arrangements ranges between 15% to 21% (2017: 16% to 21%) per annum. These arrangements are secured by way of mortgage of properties, hypothecation of goods and demand promissory notes.

5.2 Movement of provision against murabaha financing

| | June 30, 2018 | June 30, 2017 |
|-----------------------|----------------------|----------------------|
| | ----- (Rupees) ----- | ----- (Rupees) ----- |
| Opening balance | 2,763,090 | 2,565,731 |
| Charge for the year | 421,030 | 293,842 |
| Reversal for the year | <u>(158,385)</u> | <u>(96,483)</u> |
| | <u>262,645</u> | <u>197,359</u> |
| Closing balance | <u>3,025,735</u> | <u>2,763,090</u> |

| | June 30, 2018 | June 30, 2017 |
|--|----------------------|--------------------|
| | ----- (Rupees) ----- | |
| 6. DIMINISHING MUSHARAKA FINANCING - secured | | |
| Considered good | 13,420,427 | 21,205,161 |
| Less: Current portion of diminishing musharaka financing | <u>(4,004,194)</u> | <u>(7,081,226)</u> |
| | <u>9,416,233</u> | <u>14,123,935</u> |

This represents finance provided to individuals under diminishing musharaka arrangement for purchase of vehicles and building. The effective profit rates on these arrangements range between 19% to 21% (2017: 19% to 21%) per annum and these are receivable on monthly basis over a maximum period of 5 years. Financing is secured by mortgage of properties, hypothecation and personal guarantee of the borrower.

| | Note | June 30, 2018 | June 30, 2017 |
|--|------|----------------------|---------------------|
| | | ----- (Rupees) ----- | |
| 7. MUSHARAKA FINANCING - secured, considered good | | | |
| Musharaka agreements for: | | | |
| - garments | 7.1 | 7,004,470 | 15,504,470 |
| - food products | 7.2 | 12,000,000 | 12,000,000 |
| - books printing | 7.3 | 9,968,000 | 4,550,000 |
| | | <u>28,972,470</u> | <u>32,054,470</u> |
| Less: Current portion of musharaka financing | | <u>(7,004,470)</u> | <u>(15,504,470)</u> |
| | | <u>21,968,000</u> | <u>16,550,000</u> |

7.1 The Modaraba has entered into a Musharaka arrangement with Mr. Mansoor Mubin for the production of High Quality Wrinkle Free Trousers and other Apparel. Under this musharaka arrangement Modaraba has agreed to finance the working capital for purchase of raw material, stitching and processing at different stages of production, whereas Musharaka partner is exclusively responsible for the production and distribution function on consignment basis and will not make any fund based investment. Modaraba can invest upto Rs.12.5 million for the preparation of a single consignment. Moreover, Modaraba can also invest in multiple consignments of maximum amount upto Rs.18.6 million at any given time for production continuity if it deems fit. Profit sharing ratio between Modaraba and Musharaka partner is 40:60 respectively. The financing is secured by way of mortgage of property.

7.2 The Modaraba has entered into a Musharaka arrangement with Pacific Distributors for distribution of food products like milk, biscuits etc. The Modaraba's share of investment is 30% of the total finance required by Pacific Distributors and profit on investment is shared in the ratio of 30:70 between Modaraba and Pacific Distributors respectively. The financing is secured by way of mortgage of property.

7.3 The Modaraba has signed a Musharaka arrangement with New Century Education for of purchase of course books. The profit on the investment is shared between Modaraba and musharaka partner respectively in the ratio of 57 : 43 respectively. The financing is secured by way of mortgage of property.

| | June 30, 2018 | June 30, 2017 |
|---|----------------------|------------------|
| | ----- (Rupees) ----- | |
| 8. LOANS TO EMPLOYEES - secured, considered good | | |
| Loans to employees | 1,268,334 | 581,000 |
| Less: Current portion as shown under current assets | <u>(538,000)</u> | <u>(227,000)</u> |
| | <u>730,334</u> | <u>354,000</u> |

This represents profit free personal loans provided to employees of Modaraba ranging from Rs.50,000 to Rs.400,000. These are repayable over a maximum period of 5 years. These loans are secured against vehicles.

| | Note | 2018 ----- (Rupees) ----- | June 30, 2017 ----- |
|-------------------------------------|------|------------------------------|---------------------------|
| 9. TRADE DEBTORS - unsecured | | | |
| Considered good | | 88,701,104 | 64,681,950 |
| Considered doubtful | 9.1 | 3,289,466 | 1,500,000 |
| | | 91,990,570 | 66,181,950 |
| Provision for doubtful recoveries | | (3,289,466) | (1,500,000) |
| | | 88,701,104 | 64,681,950 |

9.1 Movement of provision for doubtful recoveries

| | | | |
|---------------------------|--|------------------|-----------|
| Opening balance | | 1,500,000 | - |
| Charge for the year | | 2,035,466 | 1,500,000 |
| Write off during the year | | (246,000) | - |
| Closing balance | | 3,289,466 | 1,500,000 |

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES - unsecured, considered good

| | | | |
|------------------------------------|------|-------------------|------------|
| Advance against purchase of stock | | 15,182,121 | 20,005,573 |
| Advance against expenses | | 1,278,337 | 1,183,337 |
| Advance salaries | | 17,302 | 48,604 |
| Prepaid insurance | | 146,904 | 144,015 |
| Prepaid rent | | - | 30,000 |
| Prepaid fees and subscription | | 349,580 | 210,950 |
| Income tax refundable | 10.1 | 5,905,050 | 5,905,050 |
| Receivable from Management Company | | 192,467 | 562,119 |
| Other receivables | | 3,796,801 | 1,277,368 |
| | | 26,868,562 | 29,367,016 |

10.1 This represents income tax refundable on account of net advance tax paid / withheld aggregating to Rs. 2,808,171 and Rs.3,096,879 relating to its CNG business for tax years 2009 and 2010 respectively which were expensed out in the respective accounting periods. These amounts were recorded as refundable as the management filed an application for the refund of the same under section 170 of the Income Tax Ordinance, 2001.

| | Note | June 30, 2018 ----- (Rupees) ----- | June 30, 2017 ----- |
|--|------|--|---------------------------|
| 11. MODARABA FINANCING - secured, considered good | | | |
| Modaraba financing for UPS system | 11.1 | 15,611,512 | 25,237,915 |

11.1 The Modaraba has signed an arrangement with Advanced Power Solutions and Technologies (APS) for installation of new UPS systems and upgrading of existing UPS systems of a bank, at its branches all over Pakistan. The profit on the investment is shared between Modaraba and APS in the ratio of 50:50. The financing is secured by way of mortgage of property.

| | Note | June 30, 2018 | June 30, 2017 |
|--|------|----------------------|------------------|
| | | ----- (Rupees) ----- | |
| 12. SHORT-TERM MURABAHA FINANCING - secured | | | |
| Considered good | | 4,465,398 | 10,106,145 |
| Considered doubtful | | - | 1,000,000 |
| | 12.1 | 4,465,398 | 11,106,145 |
| Provision for doubtful recoveries | 12.2 | - | (1,000,000) |
| | | 4,465,398 | 10,106,145 |

12.1 Murabaha sale price is receivable in installments. Effective profit rate on these arrangements ranges between 16% to 21% (2017: 16% to 21%) per annum receivable on agreed terms. These financing are secured by way of mortgage of properties, hypothecation of goods and demand promissory notes.

| | June 30, 2018 | June 30, 2017 |
|---|----------------------|------------------|
| | ----- (Rupees) ----- | |
| 12.2 Movement of provision against short term murabaha financing | | |
| Opening balance | 1,000,000 | - |
| (Reversal) / Charge for the year | (1,000,000) | 1,000,000 |
| Closing balance | - | 1,000,000 |

| | Note | June 30, 2018 | June 30, 2017 |
|---|------|----------------------|------------------|
| | | ----- (Rupees) ----- | |
| 13. ADVANCES AGAINST MURABAHA - secured, considered good | | | |
| Advance | | 11,100,084 | 700,080 |

This represents advance given to a party against murabaha financing which have not been executed yet.

14. CASH AND BANK BALANCES

| | Note | June 30, 2018 | June 30, 2017 |
|--------------------|-----------|----------------------|------------------|
| | | ----- (Rupees) ----- | |
| Cash in hand | | 54,411 | 32,307 |
| Cash at banks | | | |
| - Current accounts | | 7,821,312 | 24,247,595 |
| - Deposit accounts | 14.1&14.2 | 17,703,353 | 29,785,821 |
| | | 25,579,076 | 54,065,723 |

14.1 This includes balance of Rs-6,153,731 (2017: Rs.9,891,235) in respect of Redemption Reserve Fund established on account of Certificates of Musharaka (refer note 19).

14.2 Effective profit rate in respect of deposit accounts ranges from 2.4% to 3.27% (2017: 2.40% to 3.2%) per annum.

15. ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

| June 30, 2018 | June 30, 2017 | | June 30, 2018 | June 30, 2017 |
|---|-------------------|-----------------------------|----------------------|--------------------|
| Number of certificates of Rs.10 each | | Note | ----- (Rupees) ----- | |
| 11,989,930 | 11,989,930 | fully paid in cash | 119,899,298 | 119,899,298 |
| 1,798,490 | 1,798,490 | issued as bonus certificate | 17,984,895 | 17,984,895 |
| 13,788,420 | 13,788,420 | 15.1 | 137,884,193 | 137,884,193 |

15.1 Paramount Investments Limited holds 1,965,768 certificates as at June 30, 2018 (2017:1,965,768).

16. CAPITAL RESERVES

| | Note | June 30, 2018 | June 30, 2017 |
|-------------------|------|-------------------|-------------------|
| Statutory reserve | 16.1 | 45,451,957 | 42,233,765 |
| Merger reserve | | 1,935,160 | 1,935,160 |
| | | 47,387,117 | 44,168,925 |

16.1 Statutory reserve represents profit set aside to comply with the Prudential Regulations for modarabas issued by the SECP vide Circular No. 4 of 2004 dated January 28, 2004 and subsequent amendments made therein. These regulations require Modaraba to transfer not less than 20% and not more than 50% of its after tax profit till such time that the reserve equals 100% of the paid-up capital. Thereafter, a sum not less than 5% of the after tax profit is to be transferred. During the year, Modaraba transferred 20% of its after tax profits amounting to Rs. 2,172,998 (2017: Rs. 1,436,044) and Rs. 1,045,194 on prior period adjustment.

17. DEFERRED INCOME

| | June 30, 2018 | June 30, 2017 |
|---|-------------------|-------------------|
| Deferred murabaha income | 28,236,875 | 28,736,815 |
| Deferred diminishing musharaka income | 3,517,521 | 5,957,083 |
| | 31,754,396 | 34,693,898 |
| Less: Current portion shown under current liabilities | (14,039,420) | (18,854,228) |
| | 17,714,976 | 15,839,670 |

18. CERTIFICATES OF MUSHARAKA

| | | |
|---|--------------------|--------------------|
| Certificates of musharaka | 168,869,589 | 187,416,506 |
| Less: Current portion shown under current liabilities | (58,565,000) | (16,715,000) |
| | 110,304,589 | 170,701,506 |

A Redemption Reserve Fund is established on account of Certificates of Musharaka. These certificates have different denominations and are repayable within three months to five years. The expected share of profit on these certificates ranges from 6% to 8% (2017: 6% to 8%) per annum. (refer note 14.1)

| | Note | June 30, 2018 | June 30, 2017 |
|---|------|----------------------|------------------|
| | | ----- (Rupees) ----- | |
| 19. CREDITORS, ACCRUED AND OTHER LIABILITIES | | | |
| Creditors | | 546,107 | 317,337 |
| Accrued expenses | | 949,213 | 441,945 |
| Audit fee | | 591,500 | 575,000 |
| Liabilities related to generator project | | 681,601 | 186,082 |
| Sindh Workers' welfare fund | 19.1 | 595,037 | - |
| Liabilities related to FPM Solutions business | | 4,945,284 | 3,322,747 |
| Liabilities related to FPM Petro Services | | 6,667,252 | 8,169,254 |
| Others | | 1,057,314 | 4,431,550 |
| | | 16,033,308 | 17,443,915 |

19.1 The Supreme Court of Pakistan (SCP) has passed a judgment on November 10, 2016 declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. It has been learnt that Federal Board of Revenue has filed a review petition in the SCP against the said judgment, which is pending.

Accordingly the provision against Federal Workers Welfare Fund has been reversed in the accounts for the year ended 30 June 2017, based on the above Supreme Court's Judgment.

In the meantime, the Sindh Assembly, on June 04, 2015, passed The Sindh Workers Welfare Fund Act, 2014 (Sindh WWF Act). As per Section 5(1) of the WWF Act, contributions are payable with effect from the date of closing of account on or after December 31, 2013, that corresponds to Modaraba's accounting year ended on June 30, 2014. As per definitions Section 2(g) of the WWF Act, the Modarabas were considered to be an industrial establishment, despite the fact that even remotely they could not be considered as industrial establishment due to their nature of business. Further the issue of apportionment of income relevant to the province of Sindh also needs to be clarified. The NBF1 & Modaraba Association of Pakistan is contemplating to file petition against such levy, as Sindh High Court has granted stay to various Banks and Financial Institutions in Suit No.610 of 2017. However, the management of the Modaraba in consultation with the legal advisor has decided to record a provision on prudent basis.

20. CONTINGENCIES AND COMMITMENTS

20.1 The Government of Sindh levied sales tax at the rate of 13% (June 30, 2017: 15%) on the remuneration of Management Company through Sindh sales tax on Services Act, 2011 against which the Management Company filed an appeal before the Appellate Tribunal Sindh Revenue Board, (SRB). Subsequently, the Sindh High Court (SHC) restrained the SRB from taking any action to collect any alleged amount of sales tax in this regard till the final decision of the SHC. The matter is currently pending adjudication, however, the Modaraba is recording sales tax on management fee on prudent basis.

20.2 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. Management is confident that the deducted amount will be refunded therefore no expense has been booked in this regard.

| | June 30, 2018 | June 30, 2017 |
|---|------------------|----------------------|
| | | ----- (Rupees) ----- |
| 20.3 Commitments for capital expenditure in respect of | | |
| Intangible assets - computer software | - | 150,000 |

| | Note | June 30, 2018 | June 30, 2017 |
|-----------------------------------|------|----------------------|--------------------|
| | | ----- (Rupees) ----- | |
| 21. OPERATING INCOME | | | |
| Profit on: | | | |
| - murabaha financing | | 25,582,282 | 25,992,035 |
| - diminishing musharaka financing | | 2,176,751 | 1,949,252 |
| - musharaka financing | | 5,298,947 | 2,050,159 |
| - modaraba financing | | 1,014,820 | 1,632,200 |
| Income from: | | | |
| - dry batteries modaraba | | 1,372,120 | 1,670,004 |
| - FPM Solutions | 21.1 | 4,943,104 | 16,610,454 |
| - FPM Petro Income | 21.2 | 213,675,050 | 151,001,612 |
| Rental income | 21.3 | 3,077,043 | 1,285,355 |
| | | <u>257,140,117</u> | <u>202,191,071</u> |

21.1 This represents income generated from Project Power solution business of FPM Solutions representing Modaraba's share of 100%. This also includes income from Service Level Agreements (SLA) entered into by FPM Solutions with various clients to provide services in respect of stand by generators, UPS and other power back up solutions.

21.2 This represents income generated from chemical business of FPM Petro Services. The Modaraba's share of income is 60%.

21.3 This represents income generated from rental business of AL-BURQ Associates representing Modaraba's share of 52.09%.

| | Note | June 30, 2018 | June 30, 2017 |
|-----------------------------------|------|----------------------|--------------------|
| | | ----- (Rupees) ----- | |
| 22. OPERATING EXPENSES | | | |
| Direct cost related to | | | |
| - FPM Solutions | | 4,489,474 | 11,076,562 |
| - dry batteries modaraba | | 1,606,674 | 1,628,217 |
| - FPM Petro | | 185,789,834 | 127,484,066 |
| Salaries, allowances and benefits | 22.1 | 14,617,946 | 13,610,195 |
| Electricity, gas and water | | 557,443 | 638,293 |
| Repairs and maintenance | | 1,438,928 | 856,862 |
| Insurance | | 244,072 | 284,398 |
| Rent, rates and taxes | 22.2 | 2,122,198 | 1,634,896 |
| Travelling and conveyance | | 1,431,111 | 2,057,569 |
| Communications | | 773,344 | 704,057 |
| Printing and stationery | | 316,190 | 410,770 |
| Auditors' remuneration | 22.3 | 635,000 | 575,000 |
| Legal and professional | | 371,000 | 489,300 |
| Fees and subscription | | 2,662,142 | 2,558,319 |
| News papers and periodicals | | 11,957 | 10,930 |
| Advertisement and publicity | | 231,600 | 633,058 |
| Depreciation | 4.1 | 1,517,522 | 1,568,267 |
| Amortization | 4.2 | 271,430 | 387,757 |
| Commission expense | | 432,030 | 40,000 |
| Charity | | 39,708 | - |
| Contractual management fee | | | |
| - FPM Petro | | 10,222,408 | 8,868,060 |
| -ATC | | 132,405 | - |
| Others | | 3,212,495 | 2,613,137 |
| | | <u>233,126,911</u> | <u>178,129,713</u> |

22.1 Salaries, allowances and other benefits include Rs. 660,648 (2017: Rs. 393,775) on account of Modaraba's contribution to the staff provident fund.

The following information is based on un-audited financial statements of the Provident Fund:

| | June 30, 2018 | June 30, 2017 |
|---------------------------------------|----------------------|------------------|
| | ----- (Rupees) ----- | |
| Size of the fund - total assets | <u>5,061,939</u> | <u>4,097,684</u> |
| Cost of investments made | <u>1,400,000</u> | <u>1,400,000</u> |
| Percentage of investments made | <u>28%</u> | <u>40%</u> |
| Fair value of investments | <u>5,061,939</u> | <u>4,097,684</u> |
| Details of fair value of investments: | | |
| Bank balances | <u>2,719,494</u> | <u>2,079,686</u> |
| Debt securities | <u>2,342,445</u> | <u>2,017,998</u> |
| | <u>5,061,939</u> | <u>4,097,684</u> |

| | June 30, 2018 | June 30, 2017 |
|--|-------------------|------------------|
| Number of employees | | |
| The detail of number of employees is as follows: | | |
| Average number of employees during the year | Numbers <u>24</u> | <u>24</u> |
| Number of employees | Numbers <u>24</u> | <u>28</u> |

22.2 This includes Rs. 527,076 paid to a director (2017:Rs. 527,076) in respect of rent for FPM Solutions.

| | June 30, 2018 | June 30, 2017 |
|------------------------------------|----------------------|------------------|
| | ----- (Rupees) ----- | |
| 22.3 Auditors' remuneration | | |
| Statutory audit fee | <u>450,000</u> | <u>400,000</u> |
| Half yearly review fee | <u>100,000</u> | <u>100,000</u> |
| Certifications | <u>85,000</u> | <u>75,000</u> |
| | <u>635,000</u> | <u>575,000</u> |

23. PROVISION FOR DOUBTFUL RECOVERIES - NET

| | June 30, 2018 | | | |
|---------------------------|-----------------------|------------------|----------------------------------|------------------|
| | Murabaha financing | Trade debtors | Short term Murabaha financing | Total |
| | ----- Rupees ----- | | | |
| Opening balance | 2,763,090 | 1,500,000 | 1,000,000 | 5,263,090 |
| Charge for the year | 421,030 | 2,035,466 | (1,000,000) | 1,456,496 |
| Reversal for the year | (158,385) | - | - | (158,385) |
| | 262,645 | 2,035,466 | (1,000,000) | 1,298,111 |
| Write off during the year | - | (246,000) | - | (246,000) |
| Closing balance | <u>3,025,735</u> | <u>3,289,466</u> | <u>-</u> | <u>6,315,201</u> |

| | June 30, 2017 | | | |
|-----------------------|-----------------------|------------------|----------------------------------|------------------|
| | Murabaha financing | Trade debtors | Short term Murabaha financing | Total |
| | ----- Rupees ----- | | | |
| Opening balance | 2,565,731 | - | - | 2,565,731 |
| Charge for the year | 293,842 | 1,500,000 | 1,000,000 | 2,793,842 |
| Reversal for the year | (96,484) | - | - | (96,484) |
| | 197,358 | 1,500,000 | 1,000,000 | 2,697,358 |
| Closing balance | <u>2,763,089</u> | <u>1,500,000</u> | <u>1,000,000</u> | <u>5,263,089</u> |

| | Note | June 30, 2018 | June 30, 2017 |
|-------------------------------------|------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| 24. OTHER INCOME | | | |
| Profit on bank deposits | | 471,801 | 804,969 |
| Management fee from ATC | | 43,450 | - |
| Miscellaneous income | | 59,882 | 827,257 |
| Other Income | | 235,000 | - |
| | | <u>810,133</u> | <u>1,632,226</u> |
| 25. FINANCIAL CHARGES | | | |
| Profit on certificates of musharaka | 18 | 10,290,749 | 15,888,952 |
| Bank charges | | 95,825 | 132,649 |
| | | <u>10,386,574</u> | <u>16,021,601</u> |

26. MODARABA COMPANY'S MANAGEMENT FEE

26.1 The Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the net annual profits of the Modaraba. The fee for the year ended June 30, 2018 has been recognized at 10% (2017: 10%) of profit for the year.

26.2 The Sindh Government has levied Sales Tax at the rate of 13% (2017: 15%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011 effective from November 01, 2011. The Management fee charged to profit and loss account during the year includes General Sales Tax, however, the Modaraba Association of Pakistan (including the Management Company) had filed an appeal before Sindh High Court against the said levy and the matter is pending adjudication.

| | June 30, 2018 | June 30, 2017 |
|----------------------|----------------------|------------------|
| | ----- (Rupees) ----- | |
| 27. TAXATION | | |
| Current - prior year | <u>195,939</u> | <u>-</u> |

Current

Clause 100 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 provides exemption from tax of any income, not being income of trading activity derived by a Modaraba, if not less than ninety percent of its total profits in a year, as reduced by the amount transferred to mandatory reserve under the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980 is distributed to the certificate holders. The Management Company has distributed sufficient accounting income of the Modaraba (subsequent to reporting date, see note 36) for the year ended June 30, 2018 which meets the requirement of above stated clause. Further, taxable income from trading activity is taxable under Clause 18, Part II of Second Schedule of the Income Tax Ordinance, 2001, however, considering the taxable loss from the trading activity, no provision has been made in these financial statements. Further, Modaraba are also exempt from minimum tax under section 113 of the Income Tax Ordinance, 2001.

Deferred

Income of modaraba enjoys tax exemption subject to distribution of 90% its profits in the year, therefore no deferred tax has been booked in these financial statements.

| | | 2018 | 2017 |
|---|------------------------|-------------------|-------------------|
| 28. EARNINGS PER CERTIFICATE | | | |
| Profit for the year attributable to certificate holders | Rupees | <u>10,864,989</u> | <u>7,180,218</u> |
| Weighted average number of certificates | Number of Certificates | <u>13,788,419</u> | <u>13,788,419</u> |
| Earnings per certificate - basic and diluted | Rupees | <u>0.79</u> | <u>0.52</u> |

There is no dilutive effect on the basic earnings per share of the Modaraba, since there are no convertible instruments in issue as at June 30, 2018 and June 30, 2017 which would have any effect on the earnings per share if the option to convert is exercised.

29. CHANGES ARISING FROM FINANCING ACTIVITIES

The table below states changes in the Modaraba's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cashflows will be, classified in the Modaraba's cash flows as cash flow statement from financing activities.

| | June 30, 2017 | Financing cash inflows | Financing cash outflows | Non Cash changes - Transfer current portion | June 30, 2018 |
|--------------------------------|------------------|---------------------------|----------------------------|--|---------------|
| -----Rupees----- | | | | | |
| Unclaimed profit distributions | 13,698,515 | - | (8,932,689) | 9,651,894 | 14,417,720 |
| Certificates of musharaka | 187,416,506 | 36,105,083 | (54,652,000) | - | 168,869,589 |
| | June 30, 2016 | Financing cash inflows | Financing cash outflows | Non Cash changes - Transfer current portion | June 30, 2017 |
| -----Rupees----- | | | | | |
| Unclaimed profit distributions | 12,678,308 | - | (9,321,107.00) | 10,341,314 | 13,698,515 |
| Certificates of musharaka | 227,741,006 | 40,525,000 | (80,849,500) | - | 187,416,506 |

30. RELATED PARTY TRANSACTIONS

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

| | June 30, 2018 | June 30, 2017 |
|--|------------------|------------------|
| ----- (Rupees) ----- | | |
| Transactions with related parties | | |
| Modaraba's Management Company | | |
| Management fee including sale tax on fee | 1,484,920 | 933,023 |
| Payments made during the year | 1,794,349 | 2,073,997 |
| Profit distribution | 1,376,037 | 1,474,326 |
| Musharaka Investors - Generator Project | | |
| Share of gain / (loss) | 621,273 | (2,424,759) |
| Directors | | |
| Rent paid | 527,076 | 527,076 |
| Security deposit | 217,800 | 217,800 |
| Certificate of musharaka issued | 9,000,000 | - |
| Certificate of musharaka redeemed | 9,000,000 | - |
| Profit distributed | 120,000 | 218,810 |
| Spouse of a director | | |
| Profit distributed | 72,099 | 77,250 |
| Paramount Investment Limited - Employees Provident Fund | | |
| Contribution to the Fund | 561,100 | 393,775 |
| Profit paid on certificate of musharaka during the year | 149,038 | 163,033 |
| Balances with related parties | | |

| | June 30, 2018 | June 30, 2017 |
|--|-----------------------------|-----------------------|
| | ----- (Rupees) ----- | |
| Modaraba's Management Company | | |
| No. of certificates held | 1,965,768 (2017: 1,965,768) | 12,777,492 |
| Receivable / (payable) from management company | 110,984 | 16,866,291 562,119 |
| Directors | | |
| No. of certificates held | 291,746 (2017: 291,746) | 1,896,349 |
| Security deposit | 217,800 | 2,308,878 217,800 |
| Spouse of a director | | |
| No. of certificates held | 128,749 (2017: 128,749) | 836,869 |
| Paramount Investment Limited - Employees Provident Fund | | |
| Certificates of musharaka | 1,400,000 | 1,400,000 |
| Accrued profit on certificate of musharaka | 8,141 | 5,195 |

31. REMUNERATION OF OFFICERS

| | | | |
|------------------------------|-------------|------------------|------------------|
| Remuneration | 31.1 & 31.2 | 4,093,200 | 4,965,560 |
| Short-term employee benefits | | 201,633 | 199,367 |
| Post-employment benefits | | 204,660 | 248,278 |
| | | <u>4,499,493</u> | <u>5,413,205</u> |
| Number of officers | | <u>4</u> | <u>4</u> |

31.1 It includes remuneration paid to chief financial officer.

31.2 In addition, three officers are provided with Modaraba's maintained vehicles.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

- Credit risk
- Liquidity risk
- Market risk

32.1 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.

| | June 30, 2018 | June 30, 2017 |
|---|----------------------|--------------------|
| | ----- (Rupees) ----- | |
| Long-term deposit | 442,319 | 461,969 |
| Murabaha financing | 173,994,949 | 188,782,823 |
| Diminishing musharaka financing | 13,420,427 | 21,205,161 |
| Musharaka financing | 28,972,470 | 32,054,470 |
| Trade debtors | 88,701,104 | 64,681,950 |
| Modaraba financing | 15,611,512 | 25,237,915 |
| Advances, deposit and other receivables | 3,989,268 | 1,839,487 |
| Advances against murabaha | 11,100,084 | 700,080 |
| Accrued profit | 7,503,649 | 4,848,203 |
| Receivable against sale of weaving unit | 1,965,000 | 5,230,000 |
| Bank balances | 25,518,183 | 54,016,075 |
| | 371,218,965 | 399,058,133 |

32.1.1 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 receivables, diminishing musharaka, advance against murabaha and musharaka investments.

32.1.2 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:

| | 2018 | | 2017 | |
|---|--------------------|------------|--------------------|------------|
| | (Rupees) | % | (Rupees) | % |
| Construction material | - | - | 6,287,670 | 2.32 |
| Chemical, fertilizer and pharmaceutical | 8,336,609 | 2.16 | 15,718,373 | 5.80 |
| Fuel and energy | 2,283,631 | 1.29 | 2,852,885 | 1.05 |
| Food, tobacco and beverages | 81,827,772 | 34.68 | 108,774,417 | 40.13 |
| Paper and board | 48,965,927 | 22.03 | 7,200,989 | 2.66 |
| Textile & Garments | 15,818,456 | 0.12 | 28,789,670 | 10.62 |
| Steel, engineering and automobiles | 10,554,470 | 2.01 | 15,504,470 | 5.72 |
| Transportation and communication | 23,571,025 | 13.32 | 37,635,726 | 13.89 |
| Others | 43,667,203 | 24.41 | 48,279,256 | 17.81 |
| | 235,025,093 | 100 | 271,043,456 | 100 |

Modaraba's operations are restricted to Pakistan only.

32.1.3 Aging analysis of financing facilities

| | 2018 | | | 2017 | | |
|----------------------------|--------------------|-----------|----------------|--------------------|-----------|----------------|
| | Carrying amount | | Provision held | Carrying amount | | Provision held |
| | Not impaired | Impaired | | Not impaired | Impaired | |
| | ----- Rupees ----- | | | ----- Rupees ----- | | |
| Not past due | 208,100,878 | - | - | 235,684,248 | - | - |
| Past due 0 days -90 days | 23,253,151 | - | - | 23,253,151 | - | - |
| Past due 91 day s- 1 year | - | - | - | 4,000,291 | 5,000,000 | 1,000,000 |
| Past due 1 year - 2 year | - | 806,662 | 161,332 | - | - | - |
| Past due 2 year - 3 years | - | - | - | - | 684,003 | 341,327 |
| Past due more than 3 years | - | 2,864,402 | 2,864,402 | - | 2,421,763 | 2,421,763 |
| Total | 231,354,029 | 3,671,064 | 3,025,735 | 262,937,690 | 8,105,766 | 3,763,090 |

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

32.1.4 Aging analysis of trade debts

| | June 30, 2018 | June 30, 2017 |
|----------------------------|----------------------|-------------------|
| | ----- (Rupees) ----- | |
| Past due 0 day - 90 days | 78,230,370 | 46,327,756 |
| Past due 91 days - 1 year | 3,147,396 | 9,147,533 |
| Past due 1 year - 2 years | 3,346,421 | 9,148,515 |
| Past due 2 years - 3 years | 7,266,383 | 1,558,146 |
| Total | <u>91,990,570</u> | <u>66,181,950</u> |

32.2 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 following are the contractual maturities of financial liabilities, including mark-up payments:

| | 2018 | | | |
|--|----------------------|---------------------------|------------------------------|--|
| | Carrying amount | Contractual cash flows | Maturity upto one year | Maturity after one year and upto three years |
| | ----- (Rupees) ----- | | | |
| Creditors, accrued and other liabilities | 16,033,308 | 16,033,308 | 16,033,308 | - |
| Certificates of musharaka | 168,869,589 | 168,869,589 | 58,565,000 | 110,304,589 |
| Unclaimed profit distribution | 14,417,720 | 14,417,720 | 14,417,720 | - |
| | <u>199,320,617</u> | <u>199,320,617</u> | <u>89,016,028</u> | <u>110,304,589</u> |

| | 2017 | | | |
|--|----------------------|---------------------------|------------------------------|--|
| | Carrying amount | Contractual cash flows | Maturity upto one year | Maturity after one year and upto three years |
| | ----- (Rupees) ----- | | | |
| Creditors, accrued and other liabilities | 17,443,915 | 17,443,915 | 17,443,915 | - |
| Certificates of musharaka | 187,416,506 | 187,416,506 | 16,715,000 | 170,701,506 |
| Unclaimed profit distribution | 13,698,515 | 13,698,515 | 13,698,515 | - |
| | <u>218,558,936</u> | <u>218,558,936</u> | <u>47,857,430</u> | <u>170,701,506</u> |

32.3 Market risk

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

32.3.1 Profit / mark-up rate risk

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

| | Effective yield / profit rates | Carrying amount | June 30, 2018 | | | | Not exposed to profit rate risk | |
|---|--------------------------------|--------------------|-------------------|----------------------|---------------------------------|-----------------------------|---------------------------------|--------------------|
| | | | Upto one month | Upto one to 3 months | Over three months to six months | Over six months to one year | | |
| (Rupees) | | | | | | | | |
| Financial assets | | | | | | | | |
| Long-term deposit | - | 442,319 | - | - | - | - | 442,319 | |
| Musharaka financing | - | 28,972,470 | - | - | - | 7,004,470 | 21,968,000 | |
| Cash and bank balances | 2.40% - 3.27% | 25,579,076 | 17,703,353 | - | - | - | 7,875,723 | |
| Murabaha financing | 15% - 21% | 177,020,684 | 12,847,840 | 24,648,642 | 24,215,398 | 44,612,527 | 70,696,277 | |
| Diminishing musharaka financing | 19% - 21% | 13,420,427 | - | - | - | 4,004,194 | 9,416,233 | |
| Receivable against sale of weaving unit | - | 1,965,000 | 1,965,000 | - | - | - | - | |
| Trade debtors | - | 88,701,104 | - | - | - | - | 88,701,104 | |
| Advance against murabaha | - | 11,100,084 | 11,100,084 | - | - | - | - | |
| Advance, accrued profit and other receivables | - | 3,814,103 | - | - | - | - | 3,814,103 | |
| | | <u>351,015,267</u> | <u>43,616,277</u> | <u>24,648,642</u> | <u>24,215,398</u> | <u>55,621,191</u> | <u>102,080,510</u> | <u>100,833,249</u> |
| Financial liabilities | | | | | | | | |
| Creditors, accrued and other liabilities | - | 2,876,522 | - | - | - | - | - | 2,876,522 |
| Certificate of Musharaka | 6.00% - 8.00% | 168,869,589 | 6,250,000 | 1,600,000 | 3,050,000 | 17,978,389 | 139,991,200 | 14,417,720 |
| Unclaimed profit distribution | - | 14,417,720 | - | - | - | - | - | 14,417,720 |
| | | <u>186,163,831</u> | <u>6,250,000</u> | <u>1,600,000</u> | <u>3,050,000</u> | <u>17,978,389</u> | <u>139,991,200</u> | <u>17,294,242</u> |
| On balance sheet gap - 2018 | | <u>164,851,436</u> | <u>37,366,277</u> | <u>23,048,642</u> | <u>21,165,398</u> | <u>37,642,802</u> | <u>(37,910,690)</u> | <u>83,539,007</u> |

| | Effective yield / profit rates | Carrying amount | June 30, 2017 | | | | Not exposed to profit rate risk | |
|---|--------------------------------|--------------------|-------------------|----------------------|---------------------------------|-----------------------------|---------------------------------|--------------------|
| | | | Upto one month | Upto one to 3 months | Over three months to six months | Over six months to one year | | |
| (Rupees) | | | | | | | | |
| Financial assets | | | | | | | | |
| Long-term deposit | - | 461,969 | - | - | - | - | 461,969 | |
| Musharaka financing | 16% - 19% | 32,054,470 | - | - | - | 15,504,470 | 16,550,000 | 32,054,470 |
| Cash and bank balances | 2.40% - 3.64% | 54,065,723 | 29,785,821 | - | - | - | - | 24,279,902 |
| Murabaha financing | 16% - 21% | 192,545,910 | 15,577,831 | 30,218,879 | 37,193,302 | 59,256,762 | 61,890,187 | - |
| Diminishing musharaka financing | 19% - 21% | 21,205,161 | - | - | - | 7,081,226 | 14,123,935 | - |
| Receivable against sale of weaving unit | - | 5,230,000 | 1,093,000 | 3,279,000 | 858,000 | - | - | - |
| Trade debtors | - | 64,681,950 | - | - | - | - | - | 64,681,950 |
| Advance against murabaha | - | 700,080 | 700,080 | - | - | - | - | 700,080 |
| Advance, accrued profit and other receivables | - | 1,325,972 | - | - | - | - | - | 1,325,972 |
| | | <u>372,271,235</u> | <u>47,156,732</u> | <u>33,497,879</u> | <u>38,051,302</u> | <u>81,842,458</u> | <u>92,564,122</u> | <u>123,504,343</u> |
| Financial liabilities | | | | | | | | |
| Creditors, accrued and other liabilities | - | 5,509,969 | - | - | - | - | - | 5,509,969 |
| Certificate of Musharaka | 6.00% - 8.00% | 187,416,506 | 5,515,306 | 15,440,000 | 13,300,000 | 22,310,000 | 130,851,200 | - |
| Unclaimed profit distribution | - | 13,698,515 | - | - | - | - | - | 13,698,515 |
| | | <u>206,624,990</u> | <u>5,515,306</u> | <u>15,440,000</u> | <u>13,300,000</u> | <u>22,310,000</u> | <u>130,851,200</u> | <u>19,208,484</u> |
| On balance sheet gap - 2017 | | <u>165,646,245</u> | <u>41,641,426</u> | <u>18,057,879</u> | <u>24,751,302</u> | <u>59,532,458</u> | <u>(38,287,078)</u> | <u>104,295,859</u> |

Cash flow sensitivity analysis for variable rate instruments.

A change of 100 basis points in interest rates at the reporting date would have (decreased) / increased 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 interest rates on cash flows from financial assets and liabilities that are subject to profit rate risk.

| | Profit and loss 100 bp | |
|---|------------------------|------------------|
| | Increase | Decrease |
| As at June 30, 2018 | | |
| Cash flow sensitivity - variable rate financial liabilities | (1,668,662) | 1,668,662 |
| Cash flow sensitivity - variable rate financial assets | 177,034 | (177,034) |
| Net effect | <u>(1,491,628)</u> | <u>1,491,628</u> |
| As at June 30, 2017 | | |
| Cash flow sensitivity - variable rate financial liabilities | (1,832,512) | 1,832,512 |
| Cash flow sensitivity - variable rate financial assets | 297,858 | (297,858) |
| Net effect | <u>(1,534,654)</u> | <u>1,534,654</u> |

33. INFORMATION ABOUT BUSINESS SEGMENTS

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

Generator Project Musharaka finance

The Generator project is engaged in trading of generators and supply of generators on rent. The Modaraba started generator project with effect from 17 September 2008. As per the arrangement, the Modaraba has contributed 52.09% of the required fund and AL-BURQ Associates has contributed 47.91%. As per the agreement, the P.M Group, comprised of certain members of AL-BURQ Associates, is responsible for the management of generator project (renting out and sale of generators) for which a management fee of 15% of net profit of generator project after deducting 5% charity and 3% Modaraba management fee is charged by them.

FPM Solutions

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

FPM Petro Services

FPM petro services engaged in provision of various chemical components to different sectors nationally and internationally. Modaraba has started this project with effect from February 18, 2015. Agreement with the investor has been signed. As per the arrangement, the Modaraba has contributed 83.33% of the required fund and is entitled to profit share of 60%, where as loss shall be shared as per capital sharing ratio. Mudarib is responsible for the operations/management of the project.

Financing

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

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

33.2 Segment revenue and results

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

| Note | 2018 | | | | | | | |
|--------|--|------------------|---------------|--------------------|----------------|--------------------|--------------|---------------|
| | Generator project | | | | | | | |
| | Total | Modaraba's share | FPM Solutions | FPM Petro Services | FPM Consulting | Financing / others | Total | |
| 33.2.1 | Revenue (Provision) / reversal for doubtful recoveries | 5,907,166 | 3,077,043 | 4,943,104 | 213,675,050 | - | 35,444,920 | 257,140,117 |
| | Loss on disposal of tangible assets - net | - | - | (2,035,466) | - | - | 737,355 | (1,298,111) |
| 33.2.2 | Operating expenses | 114,703 | 59,749 | (57,518) | - | - | - | 2,231 |
| 33.2.3 | Other income | (4,845,691) | (2,524,120) | (11,015,422) | (198,153,337) | (6,500) | (21,427,532) | (233,126,911) |
| | Operating (loss) / profit | 22,000 | 11,460 | 6,193 | 13,087 | - | 779,393 | 810,133 |
| | | 1,198,178 | 624,130 | (8,159,109) | 15,534,800 | (6,500) | 15,534,136 | 23,527,459 |
| 33.2.4 | Finance charges | (5,484) | (2,857) | (1,300) | (6,013) | - | (10,376,405) | (10,386,574) |
| | Reversal of Provision for Workers' Welfare Fund | 1,192,694 | 621,273 | (8,160,409) | 15,528,787 | (6,500) | 5,157,731 | 13,140,885 |
| | Modaraba company's management fee | (134,774) | (70,204) | 922,126 | (1,754,753) | 734 | (582,824) | (1,484,920) |
| | Taxation | (21,184) | (11,035) | 130,761 | (274,104) | 115 | (440,774) | (595,037) |
| | (Loss) / profit for the year | - | - | - | (195,939) | - | - | (195,939) |
| | | 1,036,735 | 540,034 | (7,107,522) | 13,499,930 | (5,650) | 4,134,134 | 10,864,989 |
| 2017 | | | | | | | | |
| Note | Generator project | | | | | | | |
| | Total | Modaraba's share | FPM Solutions | FPM Petro Services | FPM Consulting | Financing / others | Total | |
| | (Rupees) | | | | | | | |
| 33.2.1 | Revenue (Provision) / (reversal) for doubtful recoveries | 2,467,566 | 1,285,355 | 16,610,454 | 151,001,612 | - | 33,293,650 | 202,191,071 |
| | Loss on disposal of tangible assets - net | - | - | - | (1,500,000) | - | (1,197,358) | (2,697,358) |
| 33.2.2 | Operating expenses | (3,652,146) | (1,902,403) | - | - | - | 2,408,105 | 505,702 |
| 33.2.3 | Other income | (3,905,976) | (2,034,623) | (17,572,487) | (137,936,188) | (22,815) | (2,114,399) | (2,114,399) |
| | Operating (loss) / profit | 438,584 | 228,458 | 3,671 | 18,238 | - | 1,381,858 | 1,632,225 |
| | | (4,651,972) | (2,423,212) | (958,362) | 11,583,662 | (22,815) | 13,208,256 | 21,387,528 |
| 33.2.4 | Finance charges | (2,968) | (1,546) | (1,469) | (3,172) | - | (16,015,414) | (16,021,601) |
| | Reversal of Provision for Workers' Welfare Fund | (4,654,940) | (2,424,758) | (959,831) | 11,580,490 | (22,815) | (2,807,158) | 5,365,927 |
| | Modaraba company's management fee | 33,529 | 17,465 | 225,698 | 2,051,766 | - | 452,384 | 2,747,313 |
| | (Loss) / profit for the year | 531,462 | 276,839 | 84,425 | (1,567,709) | 2,624 | 270,799 | (933,023) |
| | | (4,089,949) | (2,130,455) | (649,708) | 12,064,546 | (20,191) | (2,083,975) | 7,180,217 |

2017

| | Generator project | | | | | Total |
|---|-------------------|---------------|--------------------|----------------|--------------------|-------------|
| | Modaraba's share | FPM Solutions | FPM Petro Services | FPM Consulting | Financing / others | |
| 33.2.2 Operating expenses | | | | | | |
| Salaries, allowances and benefits | 1,688,514 | 2,516,258 | 120,480 | - | 10,093,910 | 13,610,195 |
| Electricity, gas and water | - | 202,629 | - | - | 435,664 | 638,293 |
| Repairs and maintenance | 544,032 | 117,525 | 78,160 | - | 377,791 | 856,862 |
| Insurance | 134,137 | 28,427 | - | - | 186,099 | 284,398 |
| Rent, rates and taxes | - | 551,060 | 464,339 | - | 619,497 | 1,634,896 |
| Travelling and entertainment | 526,919 | 603,725 | 137,763 | - | 1,041,609 | 2,057,569 |
| Communications | 94,700 | 104,325 | 9,240 | - | 541,163 | 704,057 |
| Printing and stationery | - | 12,300 | 21,680 | 9,000 | 367,790 | 410,770 |
| Auditors' remuneration | - | - | - | - | 575,000 | 575,000 |
| Legal and professional | - | 10,000 | 7,060 | - | 472,240 | 489,300 |
| Fees and subscription | 126,200 | 1,706,385 | - | - | 2,440,747 | 4,212,870 |
| News papers and periodicals | - | - | - | - | 10,930 | 10,930 |
| Direct cost related to FPM Solutions | - | 9,422,011 | - | - | - | 9,422,011 |
| Direct cost related to dry batteries modaraba | - | - | - | - | 1,628,217 | 1,628,217 |
| Direct cost related to FPM Petro | - | - | 127,484,066 | - | - | 127,484,066 |
| Other expenses | 165,681 | 1,649,438 | 715,340 | 12,000 | 150,056 | 2,613,137 |
| Advertisement and publicity | 208,903 | - | - | - | 524,240 | 633,058 |
| Depreciation | 416,890 | 648,404 | - | 1,815 | 700,890 | 1,568,267 |
| Amortisation | - | - | - | - | 387,757 | 387,757 |
| Commission expense | - | - | 30,000 | - | 10,000 | 40,000 |
| Contractual Management fee | - | - | 8,868,060 | - | - | 8,868,060 |
| | 3,905,976 | 17,572,487 | 137,936,188 | 22,815 | 20,563,600 | 178,129,713 |

33.2.3 Other income

| | 2018 | | | | | | |
|---------------------------|--|------------------|----------------------------|-----------------|-------------------|-----------------------|---------|
| | Generator project Modaraba's share | FPM Solutions | Petro Services (Rupees) | FPM Services | FPM Consulting | Financing / others | Total |
| Profit on bank deposits | - | 6,193 | 13,087 | - | - | 452,521 | 471,801 |
| Modaraba's management fee | - | - | - | - | - | 43,450 | 43,450 |
| Miscellaneous income | 22,000 | 11,460 | - | - | - | 283,422 | 294,882 |
| | 22,000 | 11,460 | 6,193 | 13,087 | - | 779,393 | 810,133 |

Profit on bank deposits
Modaraba's management fee
Miscellaneous income

2017

| | 2017 | | | | | | |
|-------------------------|--|------------------|----------------------------|-----------------|-------------------|-----------------------|-----------|
| | Generator project Modaraba's share | FPM Solutions | Petro Services (Rupees) | FPM Services | FPM Consulting | Financing / others | Total |
| Profit on bank deposits | - | 3,671 | 18,238 | - | - | 783,059 | 804,968 |
| Trading commission | - | - | - | - | - | - | - |
| Miscellaneous income | 438,584 | 228,458 | - | - | - | 598,799 | 827,257 |
| | 438,584 | 228,458 | 3,671 | 18,238 | - | 1,381,858 | 1,632,225 |

Profit on bank deposits
Trading commission
Miscellaneous income

51

33.2.4 Finance charges

| | 2018 | | | | | | |
|---------------------|--|------------------|----------------------------|-----------------|-------------------|-----------------------|------------|
| | Generator project Modaraba's share | FPM Solutions | Petro Services (Rupees) | FPM Services | FPM Consulting | Financing / others | Total |
| Profit on Musharaka | - | - | - | - | - | 10,290,749 | 10,290,749 |
| Bank charges | 5,484 | 2,857 | 1,300 | 6,013 | - | 85,656 | 95,825 |
| | 5,484 | 2,857 | 1,300 | 6,013 | - | 10,376,405 | 10,386,574 |

Profit on Musharaka
Bank charges

2017

| | 2017 | | | | | | |
|---------------------|--|------------------|----------------------------|-----------------|-------------------|----------------------|------------|
| | Generator project Modaraba's share | FPM Solutions | Petro Services (Rupees) | FPM Services | FPM Consulting | Financing / other | Total |
| Profit on Musharaka | - | - | - | - | - | 15,888,952 | 15,888,952 |
| Bank charges | 2,968 | 1,546 | 1,469 | 3,172 | - | 126,462 | 132,649 |
| | 11,246 | 5,858 | 608 | 3,172 | - | 16,015,414 | 16,021,601 |

Profit on Musharaka
Bank charges

33.2.5 Revenue reported in above segments generated from external customers.

33.2.6 The accounting policies of the reportable segments are the same as the Modaraba's accounting policies described in note 3 to these financial statements.

33.2.7 Revenue from major services includes revenue from murabaha financing to individuals and group of customers which approximates 90% of the total revenue from murabaha.

33.2.8 Segment assets and liabilities

| | 2018 | | | | | | 2017 | | | | | | | |
|---------------------|-------------------|------------|-------------|------------|-------------|-------|-------------------|------------|------------|-------------|------------|------------|-------|-------------|
| | Generator project | | | FPM | | | Generator project | | | FPM | | | | |
| | Modaraba's share | Solutions | Services | Petro | Consulting | Total | Modaraba's share | Solutions | Services | Petro | Consulting | Total | | |
| Segment assets | 30,930,748 | 16,111,827 | 298,747,301 | 17,607,902 | 111,741,689 | 7,252 | 444,215,971 | 32,557,840 | 16,959,379 | 339,850,904 | 27,131,130 | 85,532,036 | 7,252 | 469,480,701 |
| Segment liabilities | 1,308,506 | 681,601 | 218,913,290 | 4,931,278 | 6,549,689 | (845) | 231,075,013 | 357,231 | 186,082 | 242,041,270 | 3,322,747 | 8,169,254 | - | 253,719,353 |

33.2.9 For the purpose of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to reportable segments.

33.2.10 Other segment information

| | 2018 | | | | | | 2017 | | | | | | |
|--|-------------------|-----------|----------|-------------|------------|-----------|-------------------|-------------|-----------|-----------|------------|-------|-----------|
| | Generator project | | | FPM | | | Generator project | | | FPM | | | |
| | Modaraba's share | Solutions | Services | Petro | Consulting | Total | Modaraba's share | Solutions | Services | Petro | Consulting | Total | |
| Capital expenditure - net | - | 817,016 | 100,925 | 1,724,850 | - | 2,642,791 | 9,500 | 4,949 | 2,263,565 | 1,661,826 | 28,000 | 9,067 | 3,967,407 |
| Depreciation, amortisation and impairment | 400,788 | 208,770 | 918,348 | 580,208 | - | 1,707,327 | 416,890 | 217,158 | 700,890 | 648,403 | - | 1,815 | 1,568,266 |
| Non-cash items (excluding depreciation and amortisation) | 114,703 | 59,749 | 737,355 | (1,057,518) | - | (250,414) | (3,652,146) | (1,902,403) | 1,210,747 | - | - | - | (691,656) |

34. FAIR VALUE OF INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the year end date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The estimated fair value of other financial assets and liabilities is considered not significantly different from carrying values as the items are either short-term in nature or periodically repriced.

IFRS 7, 'Financial Instruments: Disclosures' requires the Modaraba to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1). There are no items to report therein as on June 30, 2018.
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). There are no items to report therein as on June 30, 2018.
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). There are no items to report therein as on June 30, 2018.

35. CAPITAL RISK MANAGEMENT

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

The Modaraba manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of profit distribution to certificate holders or issue new certificates / right certificates. The Modaraba is not exposed to external capital requirements.

36. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on October 02, 2018 have approved a final profit distribution of Rs.0.7 per certificate (2017: Rs.0.7) Cash Dividend (2017: 9,651,894) for the year ended June 30, 2018.

37. GENERAL

All figures have been rounded off to the nearest Rupees.

38. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 04, 2017.

Chief Executive

Director

Director

ReportID : SH0930MRG(10D09)

FIRST PARAMOUNT MODARABA

Page : 1

UserID : MANAGER

Pattern of Shareholding

Date : 16/08/2018

As On 30/06/2018

| <--- HAVING SHARES ---> | | | | | |
|-------------------------|--------|--------|-------------|------------|--|
| NO. OF SHAREHOLDERS | From | To | SHARES HELD | PERCENTAGE | |
| 199 | 1 | 100 | 5669 | 0.0411 | |
| 148 | 101 | 500 | 36287 | 0.2632 | |
| 222 | 501 | 1000 | 163523 | 1.1859 | |
| 461 | 1001 | 5000 | 984428 | 7.1395 | |
| 79 | 5001 | 10000 | 555613 | 4.0296 | |
| 52 | 10001 | 15000 | 640144 | 4.6426 | |
| 26 | 15001 | 20000 | 441912 | 3.2050 | |
| 20 | 20001 | 25000 | 453089 | 3.2860 | |
| 20 | 25001 | 30000 | 546776 | 3.9655 | |
| 8 | 30001 | 35000 | 260391 | 1.8885 | |
| 6 | 35001 | 40000 | 224281 | 1.6266 | |
| 2 | 40001 | 45000 | 82015 | 0.5948 | |
| 6 | 45001 | 50000 | 284653 | 2.0644 | |
| 2 | 50001 | 55000 | 102523 | 0.7435 | |
| 10 | 55001 | 60000 | 578822 | 4.1979 | |
| 2 | 60001 | 65000 | 125010 | 0.9066 | |
| 6 | 65001 | 70000 | 399036 | 2.8940 | |
| 1 | 70001 | 75000 | 73975 | 0.5365 | |
| 4 | 75001 | 80000 | 308665 | 2.2386 | |
| 3 | 80001 | 85000 | 244293 | 1.7717 | |
| 1 | 90001 | 95000 | 93451 | 0.6778 | |
| 3 | 95001 | 100000 | 294909 | 2.1388 | |
| 1 | 100001 | 105000 | 101132 | 0.7335 | |
| 4 | 110001 | 115000 | 456042 | 3.3074 | |
| 2 | 115001 | 120000 | 238299 | 1.7283 | |
| 1 | 125001 | 130000 | 128749 | 0.9337 | |
| 2 | 150001 | 155000 | 303438 | 2.2007 | |
| 1 | 160001 | 165000 | 162634 | 1.1795 | |
| 1 | 185001 | 190000 | 187034 | 1.3565 | |
| 1 | 190001 | 195000 | 190703 | 1.3831 | |
| 1 | 195001 | 200000 | 195804 | 1.4201 | |
| 5 | 225001 | 230000 | 1144000 | 8.2968 | |
| 1 | 295001 | 300000 | 295182 | 2.1408 | |

ReportID : SH0930MRG(10D09)

FIRST PARAMOUNT MODARABA

Page : 2

UserID : MANAGER

Pattern of Shareholding

Date : 16/08/2018

As On 30/06/2018

| <---- HAVING SHARES ----> | | | | |
|---------------------------|---------|---------------|-------------|------------|
| NO. OF SHAREHOLDERS | From | To | SHARES HELD | PERCENTAGE |
| 1 | 315001 | 320000 | 318042 | 2.3066 |
| 1 | 420001 | 425000 | 423471 | 3.0712 |
| 1 | 425001 | 430000 | 429184 | 3.1126 |
| 1 | 505001 | 510000 | 506288 | 3.6718 |
| 1 | 1805001 | 1810000 | 1808949 | 13.1193 |
| 1306 | | Company Total | 13788416 | 100.0000 |

ReportID : SH0935MRG (10D09)

FIRST PARAMOUNT MODARABA

Page : 1

UserID : MANAGER

Category of Shareholders

Date : 16/08/2018

As On 30/06/2018

| Particulrs | No of Folio | Balance Share | Percentage |
|---------------------------|-------------|-----------------|-----------------|
| DIRECTORS, CEO & CHILDREN | 5 | 286034 | 2.0745 |
| ASSOCIATED COMPANIES | 4 | 1965768 | 14.2567 |
| BANKS, DFI & NBF1 | 1 | 28 | 0.0002 |
| GENERAL PUBLIC (LOCAL) | 1262 | 9735733 | 70.6081 |
| GENERAL PUBLIC (FORIEGN) | 23 | 1030039 | 7.4703 |
| OTHERS | 10 | 264526 | 1.9185 |
| MODARABAS | 1 | 506288 | 3.6718 |
| Company Total | 1306 | 13788416 | 100.0000 |

ReportID : SH0935MRG (10D09)

FIRST PARAMOUNT MODARABA

Page : 1

UserID : MANAGER

Category of Shareholders

Date : 16/08/2018

As On 30/06/2018

| Folio No | Name | Code | Balance Held | Percentage |
|--------------|---|------|--------------|------------|
| 00000001121 | MR. NADIM IQBAL | 001 | 1160 | 0.0084 |
| 00000001706 | MR. TANWEER AHMED MAGOON | 001 | 99487 | 0.7215 |
| 00000002006 | MR. HUMAYUN MAZHAR QURESHI | 001 | 162634 | 1.1795 |
| 00000008271 | MR. ABDUL RAZZAK JANGDA | 001 | 107 | 0.0008 |
| 000208002994 | ABDUL RAZZAK JANGDA | 001 | 22646 | 0.1642 |
| 000000000001 | PARAMOUNT INVESTMENTS LIMITED | 002 | 8371 | 0.0607 |
| 00000001963 | PARAMOUNT INVESTMENT LIMITED | 002 | 113292 | 0.8216 |
| 00000008004 | PARAMOUNT INVESTMENTS LIMITED | 002 | 35156 | 0.2550 |
| 003277071155 | PARAMOUNT INVESTMENTS LIMITED | 002 | 1808949 | 13.1193 |
| 003889000028 | NATIONAL BANK OF PAKISTAN | 004 | 28 | 0.0002 |
| 00000001344 | SUBLIME SPORTS (PVT) LTD. | 010 | 151375 | 1.0978 |
| 00000008403 | M/S. EASTERN COMMERCIAL CORPORATION (PVT.) LTD. | 010 | 1321 | 0.0096 |
| 000009900008 | FEDERAL BOARD OF REVENUE | 010 | 27233 | 0.1975 |
| 003277078335 | TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND | 010 | 4821 | 0.0350 |
| 003277082127 | TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST | 010 | 167 | 0.0012 |
| 003525057191 | SARFRAZ MAHMOOD (PRIVATE) LTD | 010 | 571 | 0.0041 |
| 003525087235 | MAPLE LEAF CAPITAL LIMITED | 010 | 1 | 0.0000 |
| 004705087224 | FEDERAL BOARD OF REVENUE | 010 | 73975 | 0.5365 |
| 006684152143 | DREKKAR KINGSWAY LIMITED | 010 | 62 | 0.0004 |
| 014241000022 | FIKREES (PRIVATE) LIMITED | 010 | 5000 | 0.0363 |
| 000009900005 | FIRST NATIONAL MODARABA | 011 | 506288 | 3.6718 |

Notice of Annual Review Meeting

Notice is hereby given that the Eighteenth (19th) Annual Review Meeting of Certificate-Holders of First Paramount Modaraba (FPM) will be held on Friday, October 26, 2018 at 06:45 p.m. 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 2018.

On behalf of the Board

Abdullah Khan
(Company Secretary)
M/s Paramount Investments
Limited
Managers of First Paramount Modaraba
05th October 2018
Karachi

Note:

1. The certificate transfer books shall remain closed from Friday, 19 October 2018 to Friday, 26 October 2018 (both days inclusive). Transfers received in order at the office of the Registrar of First Paramount Modaraba (FPM) i.e. M/sTHK Associates (Pvt.) Ltd., before the close of business hours on Thursday, 18 October 2018 will be treated as in time for the purpose of entitlement to Cash Dividend to the transferees and to attend the Annual Review Meeting.
2. The Certificate holders are advised to notify change in their address, if any, to the Share Registrars, M/s THK Associates (Pvt.) Ltd, at 1st Floor, 40-C, Block 6, PECHS Karachi – 75400, Telephone No: 021-111-000-322, Fax No: 021-34168271.
3. For attending the Meeting:
 - 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.
4. In terms of Securities and Exchange Commission of Pakistan's (SECP) S.R.O. 634 (I)/ 2014, the Annual Report for the year ended 30 June 2018 will also be placed on Modaraba's website simultaneously with the dispatch of the same to the certificate holders.
5. Deduction of withholding tax on the amount of Dividend
The Government of Pakistan through Finance Act, 2014 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. Further, the Government of Pakistan through Finance Act, 2017 has revised the withholding tax rates for tax year 2017-2018 as under:

- (a) Rate of tax deduction for the filer(s) of income tax returns: 15%
(b) Rate of tax deduction for the non-filer(s) of income tax returns: 20%

To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 20%, all the certificate holders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the start of closed period (referred above) otherwise tax on their cash dividend will be deducted @20% instead of 15%. For any query/problem/information, the Certificate holders may contact the Share Registrar at 1st Floor, 40-C, Block 6, PECHS Karachi – 75400, Telephone No: 021-111-000-322, Fax No: 021-34168271.

The corporate certificate holders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical certificate holders should send a copy of their NTN certificate to the Company or its Share Registrar. The certificate holders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

Certificate holders seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be. Certificate holders desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

6. Dividend Mandate (Mandatory)

As per Section 242 of the Companies Act, 2017 (the "Act"), the payment of cash dividend through electronic mode has now become mandatory. However, as per Circular No. 18/2017 dated 01 August 2017, the Securities and Exchange Commission of Pakistan has granted one time relaxation till 31 October 2017 to comply with the said requirement. Therefore, all the certificate holders of First Paramount Modaraba (FPM) are hereby advised to provide dividend mandate of their respective banks in the "Dividend Mandate Form" available on Company's website. Certificate holders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service. For more information, you may contact our share registrar at THK Associates (Private) Limited: 1st Floor, 40-C, Block 6, PECHS Karachi – 75400, Telephone No: 021-111-000-322, Fax No: 021-34168271.

7. Withholding tax on dividend in case of Joint Account Holders

All certificate holders who hold certificates jointly are requested to provide shareholding proportions of Principal certificate holder and Joint-holder(s) in respect of certificates held by them to our Share Registrar, in writing as follows:

| FolioNo. /CDC AccounNo. | Total Certificates | Principal Certificateholder | | Joint Certificateholder | |
|-------------------------------|-----------------------|-----------------------------|--|-------------------------|---|
| | | Nameand CNIC No. | Certificate holding Proportion (No.ofcertificates) | Nameand CNIC No. | Certificateholding Proportion (No.ofcertificates) |

The required information must reach our Share Registrar before the close of business on Monday, 23rd October 2017; otherwise it will be assumed that the certificates are

equally held by Principal Certificate-Holder and Joint-holder(s).

8. 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 1st Floor, 40-C, Block 6, PECHS Karachi – 75400, Telephone No: 021-111-000-322, Fax No: 021-34168271.

9. Circulation of Annual Audited Accounts via Email/CD/USB/DVD or Any Other Media

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

DIVIDEND MANDATE FORM

Date:

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

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

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

INDIVIDUAL CERTIFICATE HOLDER(S)

Signature

CNIC No. _____
(copy attached)

CORPORATE ENTITY

Authorized Signatory (ies)

NTN No. _____
(copy attached)

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

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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: fpm@cyber.net.pk Web: www.fpm.com.pk