FIRST PARAMOUNT MODARABA

An Islamic Financial Institution

Managed by: Paramount Investments Limited

ANNUAL REPORT

2026

Entity Rating

Long-term:	**BBB+**
Short-term:	**A3**
Outlook:	**Stable**

VIS Credit Rating Company Limited

AN ISLAMIC FINANCIAL INSTITUTION
FIRST PARAMOUNT MODARABA
AMANAT • SHIRAKAT • BARKAT

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Mission & Vision

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



STATEMENT OF ETHICS AND BUSINESS PRACTICES

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

CORPORATE INFORMATION
FIRST PARAMOUNT MODARABA
MANAGED BY: PARAMOUNT INVESTMENTS LIMITED

BOARD OF DIRECTORS

Mr. Tanveer Ahmed Magoon	Chairman
Mr. Syed Wajih Hasan	Chief Executive Officer
Mr. Nadeem Iqbal	Director
Mr. Abrar Ahmed	Director
Mrs. Shahida Tanweer	Director
Mr. Habib Ahmed Navaid	Independent Director
Mr. Atba Waheed Farooqui	Independent Director

AUDIT COMMITTEE

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

HUMAN RESOURCE COMMITTEE

Mr. Atba Waheed Farooqui	Chairman
Mr. Tanveer Ahmed Magoon	Member
Mr. Nadeem Iqbal	Member
Mrs. Shahida Tanweer	Member
Mr. Syed Wajih Hasan	Member

CHIEF FINANCIAL OFFICER / COMPANY SECRETARY

Mr. Syed Mudassir Ali

SHARIAH ADVISOR

Mufti Muhammad Farhan Farooq

SHARIAH CONSULTANT

Mufti Muhammad Najeeb Khan

ENTITY RATING

Long-term: **BBB+** Short-Term: **A-3** Outlook: **Stable**

By VIS Credit Rating Company

AUDITORS OF THE MODARABA
M/s Crowe Hussain Chaudhury & Co. Chartered Accountants

AUDITORS OF THE MODARABA MANAGEMENT COMPANY
M/s. Hafizullah & Co. Chartered Accountants

LEGAL ADVISOR
M/s Raja Qasit Nawaz, Advocates

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

REGISTERED OFFICE
Suite # 107, 108, 1st Floor, P.E.C.H.S.
Community Office Complex, Block-2
PECHS, Shahrah-e-Quaideen, Karachi.
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DIRECTORS' REPORT TO THE CERTIFICATE HOLDERS OF FIRST PARAMOUNT MODARABA

The Board of Directors of Paramount Investments Limited, the Management Company of First Paramount Modaraba ("FPM" or "the Modaraba"), is pleased to present the Annual Report together with the audited financial statements of the Modaraba for the year ended 30 June 2026.

Economic and Business Environment

During the year under review, the global economy continued to face considerable uncertainty arising from geopolitical tensions, regional conflicts and disruptions to international trade and supply chains. Escalating hostilities in various regions, particularly in neighbouring Iran and the wider Middle East, heightened concerns over the security of global energy supplies and key trade routes, contributing to volatility in international oil prices and financial markets. These developments, together with persistent inflationary pressures and uncertainties surrounding global economic growth, affected investor confidence and contributed to an increasingly challenging business environment worldwide.

In Pakistan, businesses continued to operate amid fiscal constraints, inflationary pressures, energy costs and broader economic challenges. Regional security concerns and tensions along national borders further added to uncertainty and affected business confidence. These factors influenced investment decisions, operating costs and demand across various sectors, including the Modaraba sector.

Despite these challenges, the Modaraba remained focused on strengthening its business operations, pursuing strategic growth opportunities and maintaining prudent financial and risk management practices. The Board remains mindful of the evolving economic landscape and will continue to assess emerging opportunities while maintaining a cautious approach towards the risks and uncertainties affecting the business environment.

Against this backdrop, the Board considers disciplined financial management, prudent deployment of resources, diversification of business activities and investment in technology-enabled solutions essential to sustaining competitiveness and strengthening institutional resilience.

Financial Performance

For the year ended 30 June 2026, the Modaraba posted strong financial results, with profit before levy and taxation reaching Rs. 162,784,786, compared to Rs. 31,979,755 in the preceding year, reflecting an increase of 409%. Profit after taxation also rose substantially to Rs. 156,623,651 from Rs. 23,898,201, representing an increase of 555%, with reported profit reaching 6.55 times its level in the previous year. Earnings per Certificate likewise improved to Rs. 11.53, compared to Rs. 1.73 in the preceding year.

The substantial improvement in reported profitability was primarily attributable to a bargain purchase gain of Rs. 194,400,000 recognised in connection with the acquisition of a 60% controlling interest in the AML/CFT Solution Business. This strategic acquisition marked an important milestone in the Modaraba's business operations, transitioning its position from acting as Modarib under the previous Modaraba arrangement to holding a 60% ownership interest, with corresponding control over the business under a Musharaka arrangement.

The Modaraba also witnessed growth in its financing portfolio, primarily through increased Murabaha financing. This development strengthened Modaraba's financing operations, broadened its income-generating asset base and enhanced its capacity to generate sustainable recurring income. The Board anticipates further growth in this segment in the next financial year.

Key Business Segments and Strategic Initiatives

FPM AML/CFT Solution Business

During the year under review, the Modaraba undertook a significant strategic initiative by acquiring a 60% controlling interest in the AML/CFT Solution Business through a Musharaka arrangement, effective 1 April 2026, with the remaining 40% interest retained by the Musharaka Partner. The acquisition has taken effect in consideration of Modaraba's identifying the concept of business, successfully managing the affairs of the business, business development and determining future markets of the business both inside and outside the Country.

The acquisition has been accounted for as a business combination in accordance with IFRS 3, Business Combinations. An independent valuation of the acquired business was undertaken, establishing its fair value at Rs. 324 million. A Purchase Price Allocation (PPA) exercise was also carried out to identify and determine the fair values of the assets acquired, including identifiable intangible assets principally comprising the AML/CFT technology platform, customer relationships and brands.

The acquired business specialises in providing technology-driven Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) solutions to support financial institutions and other regulated entities in meeting their evolving regulatory and compliance requirements.

With increasing regulatory emphasis on AML/CFT compliance, the Board believes that growing demand for specialised compliance solutions presents significant opportunities for this segment. Accordingly, the Modaraba intends to focus on strengthening its operations, expanding its customer base, enhancing its technological capabilities and pursuing opportunities for wider market penetration.

The Board remains optimistic about the long-term prospects of this business and believes that its growth and development will contribute towards diversifying the Modaraba's revenue streams, strengthening its competitive position and enhancing long-term value for Certificate Holders.

FPM Petro Services

FPM Petro Services continued to contribute positively to the Modaraba's business activities during the year. However, sales in this division declined compared to the preceding years, primarily due to reduced demand of indigenous materials by Oil Service Companies. Notwithstanding these challenging market conditions, the division maintained its business operations and continued to serve customers through its product portfolio.

The Board anticipates an improvement in business conditions in the next six to nine months. Management will continue to focus on strengthening customer relationships, broadening its product portfolio and pursuing opportunities for business expansion.

Paramount Compliance (Private) Limited and International Expansion

Paramount Compliance (Private) Limited (PCPL), a wholly owned subsidiary of the Modaraba, continues to serve as an important vehicle for developing and expanding its AML/CFT business. The subsidiary is pursuing necessary regulatory approvals and strategic partnerships to strengthen its operational framework and facilitate the expansion of compliance-related services.

Its UK-based arm, Complytech Global Limited, is exploring opportunities to introduce AML/CFT compliance solutions in selected international markets, particularly in South Asia, Southeast Asia, Africa and the Middle East. These initiatives are intended to extend the Modaraba's geographical reach and establish additional channels for business development.

Although these international initiatives remain at an early stage, they represent an important component of the Modaraba's longer-term diversification strategy. The Board believes that the combination of technology, regulatory expertise and international market opportunities provides a sound foundation for future expansion and potential value creation.

Asset Fractionalisation Platform

The Modaraba has successfully developed a first of its kind in the Country, Shariah-compliant, blockchain-based asset fractionalisation platform, in collaboration with its strategic partners. The Project was initially undertaken under the Regulatory Sandbox framework of the SECP and has now been admitted in the Sandbox of Pakistan Virtual Assets Regulatory Authority (PVARA) for review before commercial launch.

The platform is designed to provide an integrated technology-enabled ecosystem for facilitating innovative investment structures. It reflects the Modaraba's strategic commitment to exploring emerging technologies and developing new business models within an appropriately regulated and Shariah-compliant framework.

The successful completion of the regulatory review, testing and eventual commercial deployment of this platform could provide access to new market segments, broaden the Modaraba's business activities and create additional opportunities for revenue generation. The Board views this initiative as a potentially significant growth avenue and remains committed to advancing the project in coordination with the relevant regulatory authorities and strategic partners.

Compliance with Regulatory Requirements

Under the revised Modaraba Regulations issued by SECP on 15 August 2022, deposit-taking Modarabas are required to maintain minimum equity of Rs. 500 million and a minimum credit rating of “A-”. The prescribed compliance period has been extended in the case of FPM up to 15 February 2027.

The Regulations also restrict the declaration and distribution of dividends by deposit-taking Modarabas until the prescribed capital and credit rating requirements have been fulfilled. Accordingly, in view of the applicable regulatory restrictions, no dividend has been declared or recommended for the year ended 30 June 2026.

Post June 2026, the Modaraba has successfully completed a right issue of its Ordinary Certificates, comprising 6,894,210 certificates at Rs. 10 each, in the proportion of one certificate for every two certificates held, representing 50% of the existing certificate capital. The issue raised Rs. 68,942,100, increasing the issued, subscribed and paid-up certificate capital to Rs. 206,826,300, comprising 20,682,630 certificates.

With the finalisation of accounts and successful right shares issue, the Equity of Modaraba now stands at Rs. 629,058,800, which Alhamdulilah meets the minimum equity requirements for deposit taking Modarabas.

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

Financial Results:

Financial results are summarized as under:

	Year ended 30 June 2026 (Amount in Rupees)	Year ended 30 June 2025 (Amount in Rupees)
Profit before tax and levy	162,784,786	31,979,755
Profit after tax	156,623,651	23,898,201
Earnings per Certificate	11.53	1.73

Compliance with Code of Corporate Governance:

As required by the Code of Corporate Governance, the 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 regulations of Pakistan Stock Exchange.

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

Male: 6
Female: 1

Name of Director
Mr. Tanveer Ahmed Magoon, Chairman
Syed Wajih Hassan, Chief Executive
Mr. Nadeem Iqbal, Director
Mr. Abrar Ahmed, Director
Mrs. Shahida Tanweer, Director
Mr. Habib Ahmed Navaid, Independent Director
Mr. Atba Waheed Farooqui, 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	6
Syed Wajih Hassan, Chief Executive	6	6
Mr. Nadeem Iqbal, Director	6	6
Mr. Abrar Ahmed, Director	6	6
Mrs. Shahida Tanweer, Director	6	6
Mr. Humayoun Mazhar Qureshi, Independent Director	3	3
Mr. Habib Ahmed Navaid, Independent Director	6	5
Mr. Atba Waheed Farooqui, Independent Director	3	3

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

Name of Director	Meetings Eligibility	Meeting Attended
Mr. Habib Ahmed Navaid, Chairperson	4	3
Mr. Nadeem Iqbal, Member	4	4
Mr. Abrar Ahmed, Member	4	4

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

Name of Director	Meetings Eligibility	Meeting Attended
Mr. Atba Waheed Farooqui, Chairperson	1	1
Mr. Tanveer Ahmed Magoon, Member	1	1
Mr. Nadeem Iqbal, Member	1	1
Mrs. Shahida Tanweer	1	1
Syed Wajih Hassan, Member	1	1

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

The Board recognises that sustainable business practices and responsible corporate conduct are important to the Modaraba's long-term resilience and institutional development. Accordingly, sustainability considerations, including environmental, social and governance (ESG) factors, remain relevant to the Modaraba's strategic planning, risk management and operational oversight.

The Board continues to emphasise responsible resource utilisation, regulatory compliance, ethical business conduct and appropriate management of sustainability-related risks and opportunities. These considerations are reviewed in the context of the Modaraba's business activities and evolving regulatory expectations.

The Board also recognises the importance of diversity, equity and inclusion (DE&I) in promoting an effective and balanced organisational culture. The Modaraba remains committed to providing equal opportunities, maintaining fairness in its employment practices and fostering an environment based on integrity, mutual respect and accountability.

Pattern of Certificate Holding

The pattern and categories of certificate holders as at 30 June 2026 are presented in the Annual Report of the Modaraba.

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

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

External Auditors
On the recommendation of the Audit Committee, the Board has approved the re-appointment of the auditors M/s. Crowe Hussain Chaudhury & Co, Chartered Accountants as auditors for the year ending June 30, 2027, subject to approval of the Registrar Modaraba.

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

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

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

Syed Wajih Hassan
Chief Executive Officer

Mian Tanweer Ahmed Magoon
Chairman

Karachi
Dated: 03 November 2026

ڈائریکٹرز کی رپورٹ برائے سرٹیفکیٹ ہولڈرز فرسٹ پیراماؤنٹ مضاربہ

فرسٹ پیراماؤنٹ مضاربہ ("FPM" یا "مضاربہ") کی مینجمنٹ کمپنی، پیراماؤنٹ انویسٹمنٹس لمیٹڈ کا بورڈ آف ڈائریکٹرز، 30 جون 2026 کو ختم ہونے والے سال کے لیے مضاربہ کی سالانہ رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتا ہے۔

معاشی اور کاروباری ماحول

زیرِ جائزہ سال کے دوران عالمی معیشت جغرافیائی و سیاسی کشیدگی، علاقائی تنازعات اور بین الاقوامی تجارت اور سپلائی چین میں رکاوٹوں کے باعث نمایاں غیر یقینی صورتحال سے دوچار رہی۔ مختلف خطوں میں بڑھتی ہوئی عسکری کشیدگی، بالخصوص ہمسایہ ملک ایران اور وسیع تر مشرقِ وسطیٰ میں کشیدگی نے عالمی توانائی کی فراہمی اور اہم تجارتی راستوں کی سلامتی سے متعلق خدشات کو بڑھا دیا، جس کے نتیجے میں عالمی تیل کی قیمتوں اور مالیاتی منڈیوں میں اتار چڑھاؤ دیکھنے میں آیا۔ ان پیش رفتوں کے ساتھ ساتھ مسلسل افراطِ زر کے دباؤ اور عالمی معاشی ترقی سے متعلق غیر یقینی صورتحال نے سرمایہ کاروں کے اعتماد کو متاثر کیا اور دنیا بھر میں کاروباری ماحول کو مزید مشکل بنانے میں اپنا کردار ادا کیا۔

پاکستان میں کاروباری ادارے مالی پابندیوں، افراطِ زر کے دباؤ، توانائی کی لاگت اور وسیع تر معاشی چیلنجز کے باوجود اپنی سرگرمیاں جاری رکھے ہوئے ہیں۔ علاقائی سلامتی کے خدشات اور قومی سرحدوں پر کشیدگی نے غیر یقینی صورتحال میں مزید اضافہ کیا اور کاروباری اعتماد کو متاثر کیا۔ ان عوامل نے مضاربہ سیکٹر سمیت مختلف شعبوں میں سرمایہ کاری کے فیصلوں، آپریٹنگ لاگت اور طلب پر اثر ڈالا۔

ان چیلنجز کے باوجود مضاربہ نے اپنے کاروباری امور کو مضبوط بنانے، حکمتِ عملی پر مبنی ترقی کے مواقع کی تلاش اور محتاط مالیاتی و رسک مینجمنٹ کے طریقوں کو برقرار رکھنے پر توجہ مرکوز رکھی۔ بورڈ بدلتے ہوئے معاشی منظرنامے سے آگاہ ہے اور کاروباری ماحول کو متاثر کرنے والے خطرات اور غیر یقینی صورتحال کے حوالے سے محتاط رویہ اپناتے ہوئے ابھرتے ہوئے مواقع کا جائزہ لیتا رہے گا۔

اس پس منظر میں بورڈ سمجھتا ہے کہ مسابقتی صلاحیت کو برقرار رکھنے اور ادارہ جاتی استحکام کو مضبوط بنانے کے لیے نظم و ضبط پر مبنی مالی انتظام، وسائل کا محتاط استعمال، کاروباری سرگرمیوں میں تنوع اور ٹیکنالوجی پر مبنی حل میں سرمایہ کاری ناگزیر ہیں۔

مالیاتی کارکردگی

30 جون 2026 کو ختم ہونے والے سال کے لیے مضاربہ نے مضبوط مالیاتی نتائج حاصل کیے، جن کے مطابق لیوی اور ٹیکس سے قبل منافع گزشتہ سال کے Rs. 31,979,755 کے مقابلے میں بڑھ کر Rs. 162,784,786 تک پہنچ گیا، جو 409 فیصد اضافے کو ظاہر کرتا ہے۔ بعد از ٹیکس منافع بھی Rs. 23,898,201 سے نمایاں طور پر بڑھ کر Rs. 156,623,651 ہو گیا، جو 555 فیصد اضافہ ہے، جبکہ رپورٹ شدہ منافع گزشتہ سال کی سطح سے 6.55 گنا زیادہ رہا۔ اسی طرح فی سرٹیفکیٹ آمدن بھی گزشتہ سال کے Rs. 1.73 کے مقابلے میں بہتر ہو کر Rs. 11.53 رہی۔

رپورٹ شدہ منافع میں نمایاں بہتری کی بنیادی وجہ AML/CFT سولیوشن بزنس میں 60 فیصد کنٹرولنگ حصص کے حصول کے سلسلے میں تسلیم کیا گیا Rs. 194,400,000 کا بارگین پرچیز گین (کم قیمت پر خریداری سے حاصل ہونے والا منافع) تھا۔ یہ حکمتِ عملی پر مبنی حصول مضاربہ کے کاروباری امور میں ایک اہم سنگِ میل ثابت ہوا، جس کے نتیجے میں اس کی حیثیت سابقہ مضاربہ انتظام کے تحت بطور مضارب کردار ادا کرنے سے تبدیل ہو کر مشارکہ انتظام کے تحت کاروبار پر متعلقہ کنٹرول کے ساتھ 60 فیصد ملکیتی حصص کی حامل ہو گئی۔

مضاربہ کے فنانسنگ پورٹ فولیو میں بھی اضافہ دیکھنے میں آیا، جس کی بنیادی وجہ مرابحہ فنانسنگ میں اضافہ تھا۔ اس پیش رفت نے مضاربہ کے فنانسنگ آپریشنز کو مضبوط کیا، آمدن پیدا کرنے والے اثاثوں کی بنیاد کو وسعت دی اور پائیدار اور بار بار حاصل ہونے والی آمدن پیدا کرنے کی صلاحیت میں اضافہ کیا۔ بورڈ کو توقع ہے کہ آئندہ مالی سال میں اس شعبے میں مزید ترقی ہوگی۔

اہم کاروباری شعبے اور حکمتِ عملی پر مبنی اقدامات

FPM AML/CFT سولیوشن بزنس

زیرِ جائزہ سال کے دوران مضاربہ نے ایک اہم حکمتِ عملی پر مبنی اقدام کرتے ہوئے 1 اپریل 2026 سے موثر، مشارکہ انتظام کے تحت AML/CFT سولیوشن بزنس میں 60 فیصد کنٹرولنگ حصص حاصل کیے، جبکہ باقی 40 فیصد حصص مشارکہ پارٹنر کے پاس برقرار رہے۔ یہ حصول اس بنا پر عمل میں آیا کہ مضاربہ نے کاروبار کے تصور کی نشاندہی کی، کاروبار کے امور کو کامیابی سے چلایا، کاروباری ترقی کے لیے کام کیا اور ملک کے اندر اور باہر اس کاروبار کی مستقبل کی منڈیوں کا تعین کیا۔

اس حصول کو IFRS 3 "بزنس کمبینیشنز" کے مطابق بزنس کمبینیشن کے طور پر اکاؤنٹ کیا گیا ہے۔ حاصل کیے گئے کاروبار کی آزادانہ ویلیوایشن کروائی گئی، جس کے مطابق اس کی منصفانہ قدر Rs. 324 ملین مقرر ہوئی۔ حاصل شدہ اثاثوں کی منصفانہ قدروں کی شناخت اور تعین کے لیے پرچیز پرائس ایلوکیشن (PPA) کی مشق بھی کی گئی، جس میں قابلِ شناخت غیر مادی اثاثے شامل ہیں جو بنیادی طور پر AML/CFT ٹیکنالوجی پلیٹ فارم، کسٹمر ریلیشن شپس اور برانڈز پر مشتمل ہیں۔

حاصل کیا گیا کاروبار مالیاتی اداروں اور دیگر ریگولیٹڈ اداروں کو ان کے بدلتے ہوئے ریگولیٹری اور کمپلائنس تقاضے پورے کرنے میں معاونت کے لیے ٹیکنالوجی پر مبنی انسدادِ منی لانڈرنگ اور انسدادِ دہشت گردی کی مالی معاونت (AML/CFT) کے حل فراہم کرنے میں مہارت رکھتا ہے۔

AML/CFT کمپلائنس پر بڑھتے ہوئے ریگولیٹری زور کے پیشِ نظر بورڈ کا ماننا ہے کہ مخصوص کمپلائنس حل کی بڑھتی ہوئی طلب اس شعبے کے لیے نمایاں مواقع فراہم کرتی ہے۔ چنانچہ مضاربہ اپنے آپریشنز کو مضبوط بنانے، اپنے صارفین کی تعداد میں اضافہ کرنے، اپنی تکنیکی صلاحیتوں کو بہتر بنانے اور وسیع تر مارکیٹ رسائی کے مواقع حاصل کرنے پر توجہ مرکوز کرنے کا ارادہ رکھتا ہے۔

بورڈ اس کاروبار کے طویل المدتی امکانات کے بارے میں پُرامید ہے اور سمجھتا ہے کہ اس کی نمو اور ترقی مضاربہ کی آمدن کے ذرائع میں تنوع، اس کی مسابقتی پوزیشن کے استحکام اور سرٹیفکیٹ ہولڈرز کے لیے طویل المدتی قدر میں اضافے میں معاون ثابت ہوگی۔

FPM پیٹرو سروسز

FPM پیٹرو سروسز نے زیرِ جائزہ سال کے دوران بھی مضاربہ کی کاروباری سرگرمیوں میں مثبت کردار ادا کیا۔ تاہم، آئل سروس کمپنیوں کی جانب سے مقامی مواد کی طلب میں کمی کے باعث اس ڈویژن کی فروخت گزشتہ برسوں کے مقابلے میں کم رہی۔ ان مشکل مارکیٹ حالات کے باوجود ڈویژن نے اپنی کاروباری سرگرمیاں برقرار رکھیں اور اپنے پروڈکٹ پورٹ فولیو کے ذریعے صارفین کی خدمت جاری رکھی۔

بورڈ کو توقع ہے کہ آئندہ چھ سے نو ماہ میں کاروباری حالات میں بہتری آئے گی۔ انتظامیہ صارفین کے ساتھ تعلقات کو مضبوط بنانے، اپنے پروڈکٹ پورٹ فولیو کو وسعت دینے اور کاروباری توسیع کے مواقع کی تلاش پر توجہ مرکوز رکھے گی۔

پیراماؤنٹ کمپلائنس (پرائیویٹ) لمیٹڈ اور بین الاقوامی توسیع

پیراماؤنٹ کمپلائنس (پرائیویٹ) لمیٹڈ (PCPL)، جو مضاربہ کی مکمل ملکیتی ذیلی کمپنی ہے، AML/CFT کاروبار کو ترقی دینے اور وسعت دینے کے لیے ایک اہم ذریعے کے طور پر کام کر رہی ہے۔ ذیلی کمپنی اپنے آپریشنل فریم ورک کو مضبوط بنانے اور کمپلائنس سے متعلق خدمات کی توسیع کو ممکن بنانے کے لیے ضروری ریگولیٹری منظوریوں اور حکمتِ عملی پر مبنی شراکت داریوں کے حصول کے لیے کوشاں ہے۔

اس کی برطانیہ میں قائم شاخ، کمپلائی ٹیک گلوبل لمیٹڈ، منتخب بین الاقوامی منڈیوں، بالخصوص جنوبی ایشیا، جنوب مشرقی ایشیا، افریقہ اور مشرقِ وسطیٰ میں AML/CFT کمپلائنس حل متعارف کرانے کے مواقع تلاش کر رہی ہے۔ ان اقدامات کا مقصد مضاربہ کی جغرافیائی رسائی کو وسعت دینا اور کاروباری ترقی کے لیے اضافی ذرائع قائم کرنا ہے۔

اگرچہ یہ بین الاقوامی اقدامات ابھی ابتدائی مرحلے میں ہیں، تاہم یہ مضاربہ کی طویل المدتی تنوع کی حکمتِ عملی کا ایک اہم جزو ہیں۔ بورڈ کا ماننا ہے کہ ٹیکنالوجی، ریگولیٹری مہارت اور بین الاقوامی مارکیٹ کے مواقع کا امتزاج مستقبل کی توسیع اور ممکنہ قدر کی تخلیق کے لیے ایک مضبوط بنیاد فراہم کرتا ہے۔

اثاثہ جات کی فریکشنلائزیشن پلیٹ فارم

مضاربہ نے اپنے اسٹریٹجک شراکت داروں کے اشتراک سے ملک کا اپنی نوعیت کا پہلا شریعہ کے مطابق، بلاک چین پر مبنی اثاثہ جات فریکشنلائزیشن پلیٹ فارم کامیابی سے تیار کیا ہے۔ یہ منصوبہ ابتدائی طور پر سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ریگولیٹری سینڈ باکس فریم ورک کے تحت شروع کیا گیا تھا اور اب تجارتی آغاز سے قبل جائزے کے لیے پاکستان ورچوئل اثاثہ جات ریگولیٹری اتھارٹی (PVARA) کے سینڈ باکس میں شامل کر لیا گیا ہے۔

یہ پلیٹ فارم جدید سرمایہ کاری کے ڈھانچوں کو سہولت فراہم کرنے کے لیے ایک مربوط، ٹیکنالوجی پر مبنی ماحولیاتی نظام فراہم کرنے کے لیے ڈیزائن کیا گیا ہے۔ یہ مضاربہ کے ابھرتی ہوئی ٹیکنالوجیز کی تلاش اور ایک مناسب طور پر ریگولیٹڈ اور شریعہ کے مطابق فریم ورک کے اندر نئے کاروباری ماڈلز تیار کرنے کے حکمتِ عملی پر مبنی عزم کی عکاسی کرتا ہے۔

ریگولیٹری جائزے، ٹیسٹنگ کی کامیاب تکمیل اور بالآخر اس پلیٹ فارم کے تجارتی اجراء سے مضاربہ کو نئے مارکیٹ سیگمنٹس تک رسائی حاصل ہو سکتی ہے، اس کی کاروباری سرگرمیوں میں وسعت آ سکتی ہے اور آمدن کے اضافی مواقع پیدا ہو سکتے ہیں۔ بورڈ اس اقدام کو ترقی کا ایک ممکنہ طور پر نہایت اہم ذریعہ سمجھتا ہے اور متعلقہ ریگولیٹری اتھارٹیز اور اسٹریٹجک شراکت داروں کے ساتھ مل کر اس منصوبے کو آگے بڑھانے کے لیے پُرعزم ہے۔

ریگولیٹری تقاضوں کی تعمیل

SECP کی جانب سے 15 اگست 2022 کو جاری کردہ نظرثانی شدہ مضاربہ ریگولیشنز کے تحت ڈپازٹ لینے والے مضاربہ کے لیے کم از کم Rs. 500 ملین ایکویٹی اور کم از کم "A-" کریڈٹ ریٹنگ برقرار رکھنا لازمی ہے۔ FPM کے معاملے میں مقررہ تعمیل کی مدت میں 15 فروری 2027 تک توسیع کر دی گئی ہے۔

ریگولیشنز ڈپازٹ لینے والے مضاربہ کی جانب سے ڈیویڈنڈ کے اعلان اور تقسیم پر بھی اس وقت تک پابندی عائد کرتی ہیں جب تک مقررہ سرمائے اور کریڈٹ ریٹنگ کے تقاضے پورے نہ کر لیے جائیں۔ چنانچہ قابلِ اطلاق ریگولیٹری پابندیوں کے پیشِ نظر، 30 جون 2026 کو ختم ہونے والے سال کے لیے کسی ڈیویڈنڈ کا اعلان یا سفارش نہیں کی گئی۔

جون 2026 کے بعد مضاربہ نے اپنے آرڈینری سرٹیفکیٹس کا رائٹ ایشو کامیابی سے مکمل کر لیا ہے، جو Rs. 10 فی سرٹیفکیٹ کے حساب سے 6,894,210 سرٹیفکیٹس پر مشتمل تھا اور موجودہ سرٹیفکیٹ کیپٹل کے 50 فیصد کی نمائندگی کرتے ہوئے ہر دو سرٹیفکیٹس پر ایک سرٹیفکیٹ کے تناسب سے جاری کیا گیا۔ اس ایشو سے Rs. 68,942,100 حاصل ہوئے، جس سے جاری شدہ، سبسکرائب شدہ اور ادا شدہ سرٹیفکیٹ کیپٹل بڑھ کر Rs. 206,826,300 ہو گیا، جو 20,682,630 سرٹیفکیٹس پر مشتمل ہے۔

اکاؤنٹس کی تکمیل اور رائٹ شیئرز کے کامیاب اجراء کے بعد مضاربہ کی ایکویٹی اب Rs. 629,058,800 ہو گئی ہے، جو الحمدللہ ڈپازٹ لینے والے مضاربہ کے لیے کم از کم ایکویٹی کے تقاضے کو پورا کرتی ہے۔

بورڈ آف ڈائریکٹرز اور مضاربہ کی انتظامیہ ان ریگولیشنز کے باقی تقاضوں کی تعمیل اور ان میں بیان کردہ معیارات کو توسیع شدہ مدت کے اندر پورا کرنے کے لیے پوری طرح پُرعزم ہیں۔

مالیاتی نتائج:

مالیاتی نتائج کا خلاصہ درج ذیل ہے:

	سال ختم شدہ 30 جون 2026 (رقم روپے میں)	سال ختم شدہ 30 جون 2025 (رقم روپے میں)
ٹیکس اور لیوی سے قبل منافع	162,784,786	31,979,755
بعد از ٹیکس منافع	156,623,651	23,898,201
فی سرٹیفکیٹ آمدن	11.53	1.73

کارپوریٹ گورننس کوڈ کی تعمیل:

کارپوریٹ گورننس کوڈ کے تقاضوں کے مطابق ڈائریکٹرز یہ رپورٹ کرتے ہوئے مسرت محسوس کرتے ہیں کہ:

a) مضاربہ کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے اس کے معاملات کی صحیح صورتحال، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
b) مضاربہ کے حسابات کی کتب مناسب طریقے سے رکھی گئی ہیں۔
c) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔
d) مالیاتی گوشواروں کی تیاری میں پاکستان میں قابلِ اطلاق بین الاقوامی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے۔
e) داخلی کنٹرول کا نظام مضبوط ہے اور اس پر مؤثر طریقے سے عمل درآمد اور نگرانی کی گئی ہے۔
f) مضاربہ مالی طور پر مستحکم ہے اور اس کے کاروبار کو جاری رکھنے کی صلاحیت (گوئنگ کنسرن) پر شک کرنے کی قطعاً کوئی وجہ نہیں۔

g) پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا۔

h) بورڈ آف ڈائریکٹرز میں CEO سمیت کل 7 ڈائریکٹرز شامل ہیں۔ بورڈ کی ترکیب درج ذیل ہے:

- مرد: 6
- خاتون: 1

ڈائریکٹر کا نام
جناب تنویر احمد مگوں، چیئرمین
سید وجیہ حسن، چیف ایگزیکٹو
جناب ندیم اقبال، ڈائریکٹر
جناب ابرار احمد، ڈائریکٹر
محترمہ شاہدہ تنویر، ڈائریکٹر
جناب حبیب احمد نوید، انڈیپنڈنٹ ڈائریکٹر
جناب عتبہ وحید فاروقی، انڈیپنڈنٹ ڈائریکٹر

i) زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے چھ (06) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل رہی:

ڈائریکٹر کا نام	اہل اجلاسوں کی تعداد	شرکت کردہ اجلاسوں کی تعداد
جناب تنویر احمد مگوں، چیئرمین	6	6
سید وجیہ حسن، چیف ایگزیکٹو	6	6
جناب ندیم اقبال، ڈائریکٹر	6	6
جناب ابرار احمد، ڈائریکٹر	6	6
محترمہ شاہدہ تنویر، ڈائریکٹر	6	6
جناب ہمایوں مظہر قریشی، انڈیپنڈنٹ ڈائریکٹر	3	3
جناب حبیب احمد نوید، انڈیپنڈنٹ ڈائریکٹر	6	5
جناب عتبہ وحید فاروقی، انڈیپنڈنٹ ڈائریکٹر	3	3

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

ڈائریکٹر کا نام	اہل اجلاسوں کی تعداد	شرکت کردہ اجلاسوں کی تعداد
جناب حبیب احمد نوید، چیئرپرسن	4	3
جناب ندیم اقبال، رکن	4	4
جناب ابرار احمد، رکن	4	4

k) سال کے دوران ایک (01) HR اجلاس منعقد ہوا۔ ہر رکن کی حاضری درج ذیل رہی:

ڈائریکٹر کا نام	اہل اجلاسوں کی تعداد	شرکت کردہ اجلاسوں کی تعداد
جناب عتبہ وحید فاروقی، چیئرپرسن	1	1
جناب تنویر احمد مگوں، رکن	1	1
جناب ندیم اقبال، رکن	1	1
محترمہ شاہدہ تنویر	1	1
سید وجیہ حسن، رکن	1	1

پائیداری، تنوع، مساوات اور شمولیت (DE&I)

بورڈ تسلیم کرتا ہے کہ پائیدار کاروباری طریقے اور ذمہ دارانہ کارپوریٹ طرز عمل مضاربہ کی طویل المدتی مضبوطی اور ادارہ جاتی ترقی کے لیے اہم ہیں۔ چنانچہ ماحولیاتی، سماجی اور گورننس (ESG) عوامل سمیت پائیداری سے متعلق امور مضاربہ کی حکمتِ عملی پر مبنی منصوبہ بندی، رسک مینجمنٹ اور آپریشنل نگرانی میں مسلسل اہمیت رکھتے ہیں۔

بورڈ وسائل کے ذمہ دارانہ استعمال، ریگولیٹری تعمیل، اخلاقی کاروباری طرز عمل اور پائیداری سے متعلق خطرات اور مواقع کے مناسب انتظام پر مسلسل زور دیتا ہے۔ ان امور کا جائزہ مضاربہ کی کاروباری سرگرمیوں اور بدلتی ہوئی ریگولیٹری توقعات کے تناظر میں لیا جاتا ہے۔

بورڈ ایک موثر اور متوازن ادارہ جاتی ثقافت کے فروغ میں تنوع، مساوات اور شمولیت (DE&I) کی اہمیت کو بھی تسلیم کرتا ہے۔ مضاربہ مساوی مواقع فراہم کرنے، اپنے ملازمتی طریقوں میں انصاف برقرار رکھنے اور دیانت، باہمی احترام اور جوابدہی پر مبنی ماحول کو فروغ دینے کے لیے پُرعزم ہے۔

سرٹیفکیٹ ہولڈنگ کا پیٹرن

30 جون 2026 کو سرٹیفکیٹ ہولڈرز کا پیٹرن اور اقسام مضاربہ کی سالانہ رپورٹ میں پیش کی گئی ہیں۔

ڈائریکٹرز کا معاوضہ

بورڈ یا بورڈ کی کسی کمیٹی کے اجلاسوں میں شرکت پر ڈائریکٹرز کا معاوضہ فرسٹ پیراماؤنٹ مضاربہ کی منظور کردہ ڈائریکٹرز کمپنسیشن پالیسی کے تحت طے کیا جاتا ہے۔

شریعہ ایڈوائزر کی رپورٹ

مضاربہ، رجسٹرار مضاربہ کی مشاورت سے وضع کردہ شریعہ آڈٹ میکنزم کی مکمل تعمیل یقینی بنانے کے لیے اپنے شریعہ ایڈوائزر، مفتی فرحان فاروق، سے ضرورت کے مطابق رہنمائی حاصل کرتا رہتا ہے۔

بیرونی آڈیٹرز

آڈٹ کمیٹی کی سفارش پر بورڈ نے رجسٹرار مضاربہ کی منظوری سے مشروط، میسرز کرو حسین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2027 کو ختم ہونے والے سال کے لیے بطور آڈیٹرز دوبارہ تقرری کی منظوری دی ہے۔

اظہارِ تشکر

انتظامیہ اور بورڈ آف ڈائریکٹرز رجسٹرار مضاربہ، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، کی مسلسل رہنمائی اور تعاون پر مخلصانہ شکریہ ادا کرتے ہیں۔

بورڈ مضاربہ کے عملے کے ارکان کا بھی ان کی لگن، مستعدی اور سونپی گئی ذمہ داریوں کی بروقت اور کامیاب تکمیل پر شکریہ ادا کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے اور ان کے لیے
پیراماؤنٹ انویسٹمنٹس لمیٹڈ (PIL)
مینیجرز فرسٹ پیراماؤنٹ مضاربہ

سید وجیہ حسن
چیف ایگزیکٹو آفیسر

میاں تنویر احمد مگوں
چیئرمین

کراچی
تاریخ: 03 نومبر 2026

Key Operating & Financial Data

Particulars	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Paid up Capital	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193	137,884,193
Total Equity	212,606,944	213,140,985	215,574,162	208,283,126	211,160,259	214,912,246	221,452,371	249,994,848	273,893,049	560,116,700
Current Liabilities	66,711,658	103,055,448	115,966,875	107,858,491	126,082,536	99,165,780	81,505,740	94,706,885	100,150,235	108,610,725
Total Liabilities	253,252,834	231,075,013	251,369,936	238,991,697	245,794,393	251,563,255	228,216,060	223,819,519	235,388,223	245,646,816
Fixed Assets	24,617,224	24,786,815	18,753,478	17,349,264	17,196,015	12,293,712	12,365,685	13,308,344	23,425,850	341,606,123
Current Assets	348,040,978	316,175,993	320,058,362	349,137,811	364,122,055	377,876,079	382,606,770	416,119,877	466,202,665	418,112,731
Total Assets	465,859,778	444,215,971	466,944,098	447,274,823	458,275,227	466,475,500	449,668,431	473,814,367	509,281,272	805,763,516
Profit before Tax	7,180,218	11,060,928	12,085,098	6,497,384	7,703,080	15,108,661	11,788,671	40,659,604	31,979,755	162,784,786
Levy and Taxation	-	195,939	-	-	-	5,151,884	5,248,547	12,117,127	8,081,554	6,161,135
Profit after Tax	7,180,218	10,864,989	12,085,098	6,497,384	7,703,080	9,956,777	6,540,125	28,542,477	23,898,201	156,623,651
Dividend	7.00%	7.00%	10.00%	3.50%	4.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Bonus Certificate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Earning per Certificate	0.52	0.79	0.88	0.47	0.56	0.72	0.47	2.07	1.73	11.53
Break-up Value	15.42	15.46	15.63	15.11	15.31	15.59	16.06	18.13	19.86	31.40

AN ISLAMIC FINANCIAL INSTITUTION
FIRST PARAMOUNT MODARABA
AMANAT • SHIRAKAT • BARKAT

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

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

For the Year Ended June 30, 2026

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

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

   a. Male: 6
   b. Female: 1

2. The composition of the Board is as follows:

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

   Pursuant to clause 6(1) of the Regulations, one-third of the Modaraba's seven-member Board is equivalent to 2.33 members. In accordance with the general principle applicable to such fractional calculations, as the fraction is less than one-half, it is not rounded up to the next whole number. Moreover, the two Independent Directors possess the requisite skills, knowledge, experience and understanding of the Modaraba's business and affairs necessary to effectively discharge their responsibilities and exercise independent judgment in the best interests of the Modaraba and its Certificate Holders.

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company;

4. The Management Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Modaraba;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board of the Modaraba Management Company / Certificate holders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. Out of seven, three directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program. However, remaining directors will attain the certification in due course;

10. The Board has approved appointment of Chief Financial Officer and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations, except as stated in paragraph 19 below;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee

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

b) HR and Remuneration Committee

Names	Designation held
Mr. Atba Waheed Farooqui	Chairperson
Mr. Tanveer Ahmed Magoon	Member
Mr. Nadeem Iqbal	Member
Mrs. Shahida Tanweer	Member
Mr. Syed Wajih Hasan	Member

c) Risk Management & Credit Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as per following:

a) Audit Committee

Four quarterly meetings were held during the financial year ended 30 June 2026.

b) HR and Remuneration Committee

One meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2026.

c) Risk Management & Credit Committee

One meeting of Risk Management & Credit Committee was held during the financial year ended June 30, 2026.

15. The Board has set up an effective internal audit function (outsourced to a firm of chartered accountants) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company;

16. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Modaraba Management Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations are given below:

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

Mian Tanveer Ahmed Magoon
Chairman

Syed Wajih Hassan
Chief Executive Officer

Karachi: 03 November 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Certificate Holders of First Paramount Modaraba

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by Board of Directors (the Board) of **Paramount Investment Limited**, the Management Company of First Paramount Modaraba (the Modaraba) for the year ended June 30, 2026, in accordance with the requirements of regulation 36 of the Regulations.

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Modaraba Management Company's compliances, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2026.

Crowe Hussain Chaudhury & Co.
Chartered Accountants
Karachi.

Dated: November 04, 2026

UDIN: CR202610207kR9I1nvuh

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Mufti Muhammad Farhan Farooq
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Phone: +92 321 2898696

المفتى محمد فرحان فاروق
خريج الجامعة دار العلوم كراتشي
المشير الشرعى للامور المالية الاسلامية
رقم التسجيل: SECP/IFD/SA/064

Serial number: FPM/ ARR / 002 **Date:** 21-09-2026

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

I have conducted the Shariah review of First Paramount Modaraba managed by Paramount Investments Limited Modaraba Company for the financial year ended June 30th 2026, in accordance with the provision of Shariah governance Regulations, 2023 and guidelines issued by me. And in my opinion:

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

   Conclusion:

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



Mufti Muhammad Farhan Farooq
Shariah Advisor
of First Paramount Modaraba
Managed By Paramount Investments Limited
Dated: September 21, 2026

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

To the Board of Directors of First Paramount Modaraba

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of First Paramount Modaraba (the Modaraba) for assessing compliance of the Modaraba's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2026) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

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

The above criteria were evaluated for their implications on the financial statements of the Modaraba for the year ended June 30, 2026, which are annexed.

3. Management's Responsibility for Shariah Compliance

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

4. Our Independence and Quality Control

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

The firm applies International Standard on Quality Management 1 "Quality Management for Firms That Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management

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including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Modaraba's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2026, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial information', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Modaraba's financial arrangements, contracts, and transactions having Shariah implications are in compliance with the Shariah principles in all material respects.

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

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

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Modaraba's financial arrangements, contracts and transactions for the year ended June 30, 2026 are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Imran Shaikh
Date: November 04, 2026
Karachi

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Independent Auditor's Report

To the Certificate holders of First Paramount Modaraba

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of First Paramount Modaraba ("the Modaraba"), which comprise the unconsolidated statement of financial position as at June 30, 2026, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2026 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 23.1 to the unconsolidated financial statements, which states that the Modaraba is non-compliant with the credit rating and minimum equity requirements as stipulated in Modaraba Regulations 2021. As fully disclosed in the aforesaid note, the extension period lapsed on August 14, 2025 and the Modaraba has obtained a further extension till February 15, 2027.

Subsequent to the year end, the Modaraba completed a rights issue to meet the minimum equity requirement, and the review of its credit rating is pending. Our opinion is not modified in respect of the matter.

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Key Audit Matters

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

Following are the Key audit matters:

S. No	Key Audit Matter	How the matter was addressed in our audit
01	**Income from Murabaha financing**	
	Modaraba earns income from the murabaha financing which is one of its main sources of income (Refer note 22.1 to the unconsolidated financial statements). During the year, the Modaraba has recognized income of Rs. 16.30 million. We identified income from the murabaha financing as a key audit matter as it is one of the key performance indicators of the Modaraba among Islamic Financing and because of the potential risk that income from the murabaha financing transactions may not be accurately recorded, recognized in the appropriate period, and not properly disclosed in the unconsolidated financial statements.	Our audit procedures in this area, amongst others, included the following: - Obtained an understanding, including the design and implementation of internal controls over recording and processing of murabaha income. - Assessed the appropriateness of the Modaraba's accounting policy for recording of income and in line with the requirements of applicable law, accounting and reporting standards. - Matched customer contracts with the income and repayment schedule, performed recalculation on sample basis to ensure that income is appropriately recorded and also evaluated that these contracts were appropriately classified and recorded in the appropriate accounting period. - On sample basis, traced the installments received from the underlying records issued to contract holders and applied substantive analytical procedures to determine any variations. - Evaluated the income accrued but not received is appropriately classified as suspended income as per applicable modaraba regulations. - Recalculated the unearned portion of income and checked the appropriate amount has been recorded as unearned income in liabilities. - We also evaluated the adequacy of the overall disclosures in the unconsolidated financial statements in respect of income from murabaha financing in accordance with the requirements of applicable financial reporting framework.

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02	**Business Combination**	
	(Refer note 4.27 and 4.28 to the unconsolidated financial statements) With effect from April 1, 2026, the Modaraba acquired a 60% interest in the "FPM AML/CFT Solutions" business for a consideration of Rs. 183.57 million, settled against its Modarib profit share receivable. The Modaraba has accounted for the acquisition as a business combination under IFRS 3 on a provisional basis. Based on a purchase price allocation by an independent valuer, it has recognized identifiable intangible assets of Rs. 326.67 million, a Musharaka partner's interest of Rs. 129.60 million and a net gain on business combination of Rs. 194.40 million. We considered this a key audit matter because of the significance of the amounts involved and the significant judgements and estimates required in valuing the acquired business and its intangible assets.	Our audit procedures in this area, amongst others, included the following: - Reviewed the underlying agreements and evaluated management's assessment of the acquisition date, the transfer of control and the application of IFRS 3. - Assessed the competence and objectivity of the independent valuer and, with the involvement of our expert, evaluated the valuation methodologies, key assumptions and discount rates. - Compared the projections with the historical and post-acquisition results of the business. - Reconciled the acquisition-date balances to the accounting records and checked the computation of the net gain on business combination and the Musharaka partner's interest. Evaluated management's reassessment of whether all assets acquired and liabilities assumed had been correctly identified and measured, as required by IFRS 3. - We also evaluated the adequacy of the overall disclosures in the unconsolidated financial statements.

Information other than the Unconsolidated Financial Statements and Auditor's Report Thereon

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

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

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

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Responsibilities of Management and Board of Directors of the Modaraba Company for the Unconsolidated Financial Statements

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

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

The Board of Directors of the Modaraba Company is responsible for overseeing the Modaraba's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

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

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- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) Proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and are in agreement with the books of account;

c) business conducted, investments made, expenditure incurred and guarantees extended during the year by the Modaraba were in accordance with the objects, terms and conditions of the Modaraba; and

d) No zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

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Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Dated: November 05, 2026

UDIN: AR202610207nxJh3zurS

FIRST PARAMOUNT MODARABA
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026
(Expressed in Rupees)

	Note	2026	2025
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	**19,679,522**	23,281,703
Intangible assets	6	**321,926,601**	144,147
Long term investment	7	**9,980**	9,980
Murabaha financing	8	**23,071,414**	19,403,574
Musharaka financing	9	**-**	-
Loan to employees	10	**409,503**	231,503
Deferred tax asset	34.4	**22,545,965**	-
Long term deposits		**7,800**	7,700
		387,650,785	43,078,607
CURRENT ASSETS			
Trade debtors	11	**125,015,116**	262,671,367
Stock in trade		**30,072,599**	12,475,079
Advances, prepayments and other receivables	12	**22,236,909**	34,340,715
Short term murabaha financing	13	**-**	4,791,668
Current maturity of non-current assets	14	**63,654,931**	41,883,622
Short term deposit	15	**798,856**	256,800
Accrued profit	16	**121,657**	70,332
Advance against murabaha financing		**17,500,000**	-
Short term investment	17	**25,151,747**	23,434,916
Taxation - net	18	**72,404,993**	68,067,855
Cash and bank balances	19	**61,155,923**	18,210,311
		418,112,731	466,202,665
TOTAL ASSETS		**805,763,516**	509,281,272

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

FIRST PARAMOUNT MODARABA
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026
(Expressed in Rupees)

	Note	2026	2025
EQUITY AND LIABILITIES			
CERTIFICATE CAPITAL AND RESERVES			
Authorized certificate capital			
40,000,000 (2025: 40,000,000) certificates of Rupees 10/- each		**400,000,000**	400,000,000
Issued, subscribed and paid-up certificate capital	20	**137,884,193**	137,884,193
Capital reserves	21	**272,634,479**	113,616,388
Revenue reserves		**22,392,468**	22,392,468
Total equity attributable to certificate holders		**432,911,140**	273,893,049
Musharaka partner interest	4.28	**127,205,560**	-
		560,116,700	273,893,049
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income	22	**5,411,091**	3,362,988
Certificates of musharaka	23	**131,625,000**	131,875,000
		137,036,091	135,237,988
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	24	**39,275,502**	28,531,267
Current maturity of deferred income	22	**6,572,503**	5,367,360
Current maturity of certificates of musharaka	23	**39,575,000**	41,500,000
Certificate of musharaka - matured and payable	25	**2,800,000**	2,800,000
Accrued profit on certificates of musharaka	26	**2,373,319**	3,331,368
Unclaimed profit distributions		**18,014,401**	18,620,240
		108,610,725	100,150,235
TOTAL LIABILITIES		**245,646,816**	235,388,223
CONTINGENCIES AND COMMITMENTS	27		
TOTAL EQUITY AND LIABILITIES		**805,763,516**	509,281,272

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

FIRST PARAMOUNT MODARABA
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

	Note	2026	2025
Income from trading operations	28	**55,780,569**	81,790,354
Income from murabaha financing	22.1	**16,298,460**	13,232,119
Income from AML		**9,445,074**	-
Income from musharaka financing		**-**	2,291,391
		81,524,103	97,313,864
Administrative and operating expenses	29	**(65,449,614)**	(46,017,578)
Reversal / (provision) for doubtful recoveries - net		**1,195,973**	(511,514)
		17,270,462	50,784,772
Net gain on business combination	4.28	**194,400,000**	-
Other income	30	**6,116,080**	7,619,110
Other expenses	31	**(15,907,415)**	-
Financial charges	32	**(17,315,877)**	(22,145,656)
		184,563,250	36,258,226
Modaraba Management Company's remuneration	33	**(18,456,325)**	(3,625,823)
Provision for Sindh workers' welfare fund - expense		**(3,322,139)**	(652,648)
Profit before levy and taxation		**162,784,786**	31,979,755
Levy	34	**(27,660,343)**	(711,691)
Profit before taxation		**135,124,443**	31,268,064
Taxation	34	**21,499,208**	(7,369,863)
Profit after taxation		**156,623,651**	23,898,201
Other comprehensive income		**-**	-
Total comprehensive income		**156,623,651**	23,898,201
Loss attributable to Musharaka partner		**(2,394,440)**	-
Profit attributable to Modaraba		**159,018,091**	23,898,201
		156,623,651	23,898,201
Earnings per certificate - basic and diluted	35	**11.53**	1.73

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

FIRST PARAMOUNT MODARABA
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

	Note	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levy and taxation		**162,784,786**	31,979,755
Adjustments for non-cash items:			
Depreciation	5	**4,617,620**	4,219,920
Amortization		**5,487,748**	61,777
Other expenses		**15,907,415**	-
Gain on disposal of property and equipment		**-**	(1,544,342)
Provision for Sindh Workers' Welfare Fund		**3,322,139**	652,648
Financial charges	32	**17,315,877**	22,145,656
Provision for doubtful recoveries - murabaha financing		**(256,661)**	(480,680)
Provision for doubtful recoveries - trade debt		**(389,311)**	-
Provision for doubtful recoveries - short term deposits		**(550,000)**	1,382,194
Provision for doubtful recoveries - advances		**-**	(390,000)
Gain on business combination		**(194,400,000)**	-
		(148,945,173)	26,047,173
		13,839,613	58,026,928
Changes in working capital			
Murabaha financing - net		**(25,164,488)**	28,742,541
Short term murabaha financing - net		**4,791,668**	(4,791,668)
Musharaka financing - net		**-**	12,000,000
Stock in trade		**(17,597,520)**	11,627,584
Trade debtors		**141,192,628**	(87,346,384)
Advances, prepayments and other receivables		**(2,156,553)**	(10,824,060)
Short term deposit		**7,944**	225,000
Advance against murabaha financing		**(17,500,000)**	-
Short term investment		**(1,716,831)**	(2,126,247)
Accrued profit		**(51,325)**	1,462,244
Long-term deposits		**(100)**	-
Creditors, accrued and other liabilities		**1,408,309**	12,604,947
Deferred income		**3,253,246**	(6,371,534)
Cash generated from operations		**100,306,591**	13,229,351

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

FIRST PARAMOUNT MODARABA
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

	Note	2026	2025
Cash generated from operations - continued		**100,306,591**	13,229,351
Financial charges paid		**(14,890)**	(10,034)
Loans to employees - net		**(196,000)**	226,000
Levy and income tax paid		**(35,222,264)**	(12,042,972)
Net cash generated from operating activities		**64,873,437**	1,402,345
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	5.1	**(805,875)**	(15,027,361)
Purchase of intangibles		**(600,000)**	-
Sale proceed on disposals of fixed assets		**-**	2,172,500
Cash acquired on acquisition of business	4.28	**517,925**	-
Net cash used in investing activities		**(887,950)**	(12,854,861)
CASH FLOWS FROM FINANCING ACTIVITIES			
Certificates of musharaka - issuance	23	**14,350,000**	35,700,000
Certificates of musharaka - redemption	23	**(16,525,000)**	(30,725,000)
Profit paid to certificates of musharaka holders		**(18,259,036)**	(22,318,534)
Profit distributed to certificate holders		**(605,839)**	(109,445)
Net cash used in financing activities		**(21,039,875)**	(17,452,979)
Net increase / (decrease) in cash and cash equivalents		**42,945,612**	(28,905,495)
Cash and cash equivalents at beginning of the year		**18,210,311**	47,115,806
Cash and cash equivalents at end of the year	19	**61,155,923**	18,210,311

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

FIRST PARAMOUNT MODARABA
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

	Issued, subscribed and paid up certificate capital	Reserves				Total equity attributable to certificate holders	Musharaka partner interest	Total
		Capital			Revenue			
		Merger reserve	*Statutory reserve	Total	Unappropriated profit			
Balance as at June 30, 2024	137,884,193	1,935,160	87,783,027	89,718,187	22,392,468	249,994,848	-	249,994,848
Profit after taxation	-	-	-	-	23,898,201	23,898,201	-	23,898,201
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	23,898,201	23,898,201		23,898,201
Transferred to statutory reserve @ 100%	-	-	23,898,201	23,898,201	(23,898,201)	-	-	-
Balance as at June 30, 2025	137,884,193	1,935,160	111,681,228	113,616,388	22,392,468	273,893,049	-	273,893,049
Musharaka partner interest	-	-	-	-	-	-	129,600,000	129,600,000
Profit attributable to Modaraba	-	-	-	-	159,018,091	159,018,091	-	159,018,091
Loss attributable to Musharaka partner	-	-	-	-	-	-	(2,394,440)	(2,394,440)
Other comprehensive income	-	-	-	-	-	-		-
Total comprehensive income for the year	-	-	-	-	159,018,091	159,018,091	(2,394,440)	156,623,651
Transferred to statutory reserve @ 100%	-	-	159,018,091	159,018,091	(159,018,091)	-	-	-
Balance as at June 30, 2026	137,884,193	1,935,160	270,699,319	272,634,479	22,392,468	432,911,140	127,205,560	560,116,700

*The statutory reserve represents profit set aside as required under the Modaraba Regulations, 2021 for Modarabas as issued by the Securities and Exchange Commission of Pakistan (note 21.1).

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER | CHIEF EXECUTIVE OFFICER | DIRECTOR | DIRECTOR

FIRST PARAMOUNT MODARABA
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

1 LEGAL STATUS AND OPERATIONS

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

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

The Modaraba is engaged in deployment of funds on murabaha, modaraba and musharaka arrangements and its in-house ventures are:

(a) Electrical maintenance and troubleshooting services under the name of "FPM Solutions";

(b) Chemical business under the name of "FPM Petro Services";

(c) Anti-money laundering and countering the financing of terrorism solutions for the corporate and financial sector under the name of "FPM AML/CFT Solutions".

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- The requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulation 2021 and directives issued by the Securities and Exchange Commission of Pakistan (SECP);

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act 2017; and

- Provisions of, directives and notification issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Ordinance, the Rules, the Regulations, the Act, and provisions of, directives and notifications issued by the Securities and Exchange Commission of Pakistan (SECP) differ from IFRS and IFAS, the requirements of the Ordinance, the Rules, the Regulations, the Act and provisions of, directives and notifications issued by the Securities and Exchange Commission of Pakistan (SECP) have been followed.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Significant accounting estimates, judgments and assumptions

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

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

- Useful life of depreciable assets (refer note 4.1 & 5)

- Provision for taxation (refer note 4.18)

- Provision and contingencies (refer note 4.21 & 4.24)

- Fair value of net assets acquired through business combination (refer note 4.27)

3 CHANGES IN ACCOUNTING STANDARDS AND INTERPRETATIONS

i) New Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following standards, interpretations and amendments, are effective for the year ended June 30, 2026. These standards, interpretations and amendments are either irrelevant to the Modaraba's operations or are not expected to significantly impact the Modaraba's financial statements other than certain additional disclosures.

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability – Effective from the accounting periods beginning on or after January 01, 2025.

ii) New accounting standards, amendments and IFRS interpretations that are not 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 unconsolidated financial statements other than certain additional disclosures;

		Effective from the accounting period beginning on or after
IFRS 10, IFRS 9, IFRS 1, IAS 7, IFRS 7	Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
IFRS 7, IFRS 9	Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 7, IFRS 9	Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures - Amendments to IAS 28	January 01, 2027
IAS 21	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	January 01, 2027

		Effective from the accounting period beginning on or after
IFRS 19	IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027
IFRS 18	IFRS 18 – Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS S1	General requirements for disclosure of Sustainability - related financial information	July 01, 2027
IFRS S2	Climate related disclosures	July 01, 2027

Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Modaraba, by the Securities and Exchange Commission of Pakistan (SECP) as at the reporting date:

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by SECP

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Property and equipment

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

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

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

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

4.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are initially recognized at their fair value at the acquisition date, which is regarded as their cost.

Computer software is amortized using the reducing balance method, and other intangible assets (Technology AML-CHECK platform, customer relationships and brand) are amortized on a straight-line basis over their estimated useful lives, at the rates mentioned in note 6. Amortization on additions is charged from the date the asset is available for use till the asset is disposed off.

The amortization method, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

4.3 Loans to employees

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

4.4 Murabaha financing

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

In accordance with the Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan (SECP) and IFAS 1 (Murabaha), profit on Murabaha financing classified as non-performing is suspended. The suspended profit is not recognized in the statement of profit or loss and other comprehensive income and is instead credited to a suspense account. Such suspended income is subsequently recognized in the statement of profit or loss and other comprehensive income only on a cash receipt basis.

4.5 Modaraba financing

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

4.6 Musharaka financing

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

a) Diminishing musharaka

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

b) Musharaka financing

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

4.7 Financial instruments

Investments and other financial assets

a) Classification

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

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

- those to be measured at amortized cost

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

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

b) Measurement

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

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

Debt instruments

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

Amortized cost

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss

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

Equity instruments

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss

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

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

Financial liabilities

Classification and measurement

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

i) Impairment of financial assets

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

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

- the provision required under the Modaraba Regulations, 2021; and

- the provision required under IFRS 9 using the expected credit loss (ECL) model.

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

ii) De-recognition

a) Financial assets

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

b) Financial liabilities

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

iii) Offsetting of financial instruments

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

4.8 Investment in subsidiary

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

4.9 Cash and cash equivalents

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

4.10 Stock in trade

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

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

4.11 Trade debtors and other receivables

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

4.12 Joint Operations (Musharaka arrangements)

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

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

4.13 Statutory reserve

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

4.14 Certificates of musharaka

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

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

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

4.15 Creditors and other liabilities

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

4.16 Impairment of non-financial assets

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

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

4.17 Revenue recognition

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

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

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

- Murabaha profit:

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

- Musharaka management fee is recognized on accrual basis.

- Profit on musharaka financing is recognized on declaration of profit by musharaka partners on accrual basis.

- Realized capital gains / (losses) arising on sale of investments are included in the statement of profit or loss and other comprehensive income on the date at which the transaction takes place.

- Dividend income is recognized when the right to receive the dividend is established.

- Income from AML/CFT solutions

Income from AML/CFT solutions comprises screening service fees, which are recognized over time as the service is rendered to the customer, and implementation charges, which are recognized at the point in time when implementation is completed. Screening services are provided either through hosted access to the Modaraba's system or through installation at the customer's premises.

- For customers billed on a fixed rate, the agreed fee is recognized on a straight-line basis over the period of service.

- For customers billed on a slab rate, revenue is recognized on the basis of the actual screening usage during the period.

Amounts billed in advance of the service are recorded as unearned income and recognized as revenue as the service is rendered.

4.18 Taxation and levy

Current

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

Deferred

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

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

Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37 in accordance with IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by ICAP.

4.19 Operating segments

An operating segment is a component of the Modaraba that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Modaraba's other components. All operating segments' operating results are reviewed regularly by the Modaraba Management Company's Chief Executive Officer and Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. The Modaraba's reportable segments are Financing, FPM Petro Services, FPM AML and Others, as disclosed in note 39. The musharaka arrangement with the joint venture partner in respect of the AML business is also monitored separately.

Segment results, assets and liabilities 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. All assets and liabilities are allocated to the segments and inter-segment balances are eliminated.

4.20 Employee benefits

a) Defined contribution plan

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

b) Compensated absences

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

4.21 Provisions

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

4.22 Profit distributions and appropriations

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

4.23 Certificate capital and earning per certificate

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

4.24 Contingencies:

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

4.25 Related party transactions

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

4.26 Deposits, advances, prepayments and other receivables

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

4.27 Business Combination

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 'Business Combinations'. The consideration transferred for an acquisition is measured at fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Modaraba at the acquisition date, including the settlement of any pre-existing relationship with the acquiree. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, and intangible assets acquired are recognized separately at their fair values at that date. On an acquisition-by-acquisition basis, the interest of the other Musharaka partner in the acquired business is measured either at fair value or at its proportionate share of the identifiable net assets of the acquired business.

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount of the Musharaka partner's interest over the fair value of the identifiable net assets acquired. Where this amount is lower than the fair value of the identifiable net assets acquired, the Modaraba reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts recognized at the acquisition date. If the reassessment still results in an excess, it is recognized in the unconsolidated statement of profit or loss and other comprehensive income as net gain on business combination at the acquisition date.

4.28 Acquisition of FPM AML/CFT Solutions

Up to March 31, 2026, the Modaraba managed FPM AML/CFT Solutions (the AML business) as "Modarib" under a Modaraba arrangement with an individual, who had invested 100% of the capital as "Rab-ul-Maal". As Modarib, the Modaraba's rights were limited to managing the project's operations and receiving its share of profit as a Modarib fee. The Rab-ul-Maal was the owner of the project and its net assets and had total control over the business. The Modaraba held no ownership interest in, or control over, the project.

The AML business provides anti-money laundering and countering the financing of terrorism (AML/CFT) screening solutions to entities in the corporate and financial sector. The Modaraba arrangement was dissolved on a constructive liquidation basis with effect from March 31, 2026, at an agreed value of the AML business of Rs. 324,000,000. This resulted in an unrealized profit of Rs. 305,950,000 after adjustment of the Rab-ul-Maal's capital of Rs. 18,050,000. In accordance with the Modaraba agreement, the Modaraba's 60% share of this profit as Modarib, amounting to Rs. 183,570,000, became receivable from the Rab-ul-Maal and has been recognized as income in these unconsolidated financial statements.

With effect from April 1, 2026 (the acquisition date), the Modaraba acquired a 60% interest in the AML business under an Asset Acquisition Agreement for a consideration of Rs. 183,570,000. The consideration was settled in full by set-off against the aforesaid Modarib profit share receivable, and no cash consideration was paid. On the same date, the parties entered into a Musharaka arrangement under which the Modaraba is the Managing Partner (60%) and the individual is the other partner (40%). As the Managing Partner, the Modaraba directs the relevant activities of the AML business and has obtained control over it.

The acquisition has been accounted for as a business combination in accordance with IFRS 3. A purchase price allocation (PPA) exercise has been performed by management, assisted by an independent valuer, as at March 31, 2026. The primary element of the valuation exercise was the fair value of the identifiable intangible assets of Rs. 326,670,202, which comprised of Technology AML-CHECK platform, customer relationship and brand.

Details of the purchase consideration, the net identifiable assets acquired and the gain on purchase of business are as follows:

FPM AML/CFT SOLUTIONS:

	Fair value recognized on acquisition date
Non-current assets	
Fixed assets	209,564
Intangible assets	
- Technology AML-CHECK platform	273,970,295
- Customer relationships	46,790,750
- Brand FPM AML-CHECK	5,909,157
	326,879,766
Current assets	
Advances, prepayments and other receivables	1,647,056
Income receivables	3,147,066
Cash and bank balances	517,925
	5,312,047
Total Assets	**332,191,813**
Current liabilities	
Creditors, accrued and other liabilities	4,815,127
Unearned income	1,198,660
Tax due to Government	2,178,026
Total Current Liabilities	**8,191,813**
Net identifiable assets acquired (100%)	**324,000,000**
Less: Musharaka partner's interest (40%)	(129,600,000)
Modaraba's share of net identifiable assets (60%)	194,400,000
Less: consideration settled off against receivable	(183,570,000)
Gain on business combination	**10,830,000**
Modarib share of profit on dissolution of Modaraba	**183,570,000**
Net gain on business combination	**194,400,000**

(i) Net gain on business combination

The dissolution of the Modaraba arrangement and the acquisition of the 60% interest in the AML business were negotiated together, executed on the same date and are interdependent: the Modaraba's share of profit as Modarib was settled only through the allocation of the equity interest. Management therefore considers them a single transaction and has presented the resulting gain on a combined basis.

Under this transaction, the Modaraba gave up its Modarib share of profit of Rs. 183,570,000 on dissolution of the Modaraba arrangement as consideration for a 60% interest in the identifiable net assets of the AML business, with a fair value of Rs. 194,400,000. The excess of Rs. 10,830,000 represents the portion of profit surrendered by the Rab-ul-Maal from his own share under the Modaraba Dissolution Agreement. Before recognizing the gain, the Modaraba reassessed whether it had correctly identified all of the assets acquired and liabilities assumed, and reviewed the measurement of these amounts.

(ii) Musharaka partner's interest

The Musharaka partner's interest of Rs. 129,600,000 has been measured at the partner's proportionate share (40%) of the identifiable net assets of the AML business at the acquisition date.

(iii) Provisional amounts

The fair values of the assets acquired and liabilities assumed have been determined provisionally. As permitted by IFRS 3, the Modaraba may adjust these amounts during the measurement period, which ends on March 31, 2027.

	Note	2026	2025
5 PROPERTY AND EQUIPMENT			
Owned assets	5.1	**19,679,522**	23,281,703

5.1 Owned assets

	June 30, 2026					
	Generators - own use	Computers	Office and other equipment	Furniture and fixtures	Vehicles	Total
Year ended June 30, 2026						
At beginning of the year	**59,538**	**1,349,762**	**1,832,638**	**2,247,808**	**17,791,957**	**23,281,703**
Disposals at						
- Cost	-	-	-	-	-	-
- Accumulated depreciation	-	-	-	-	-	-
	-	-	-	-	-	-
Additions - at cost	-	**657,375**	-	**100,500**	**48,000**	**805,875**
Acquisition through business combination	-	**209,564**	-	-	-	**209,564**
Depreciation charge for the year	**(5,953)**	**(566,395)**	**(187,522)**	**(226,201)**	**(3,631,549)**	**(4,617,620)**
Carrying amount	**53,585**	**1,650,306**	**1,645,116**	**2,122,107**	**14,208,408**	**19,679,522**
As at June 30, 2026						
Cost	**331,718**	**4,426,416**	**4,324,915**	**5,214,124**	**24,391,464**	**38,688,637**
Accumulated depreciation	**(278,133)**	**(2,776,110)**	**(2,679,799)**	**(3,092,017)**	**(10,183,056)**	**(19,009,115)**
Carrying amount	**53,585**	**1,650,306**	**1,645,116**	**2,122,107**	**14,208,408**	**19,679,522**
Rate of depreciation (%)	**10**	**30**	**10-20**	**10**	**20**	

5.1 Owned assets

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

6 INTANGIBLE ASSETS

	Computer software	Technology AML - CHECK platform	Customer relationships	Brand FPM AML - CHECK	Total
Year ended June 30, 2026					
Opening net book value	**144,147**	**-**	**-**	**-**	**144,147**
Additions during the year	**-**	**600,000**	**-**	**-**	**600,000**
Acquired through business combination (note 4.28)	**-**	**273,970,295**	**46,790,750**	**5,909,157**	**326,670,202**
Amortization charge for the year (note 6.1)	**(43,245)**	**(4,566,172)**	**(779,846)**	**(98,485)**	**(5,487,748)**
Closing net book value	**100,902**	**270,004,123**	**46,010,904**	**5,810,672**	**321,926,601**
As at June 30, 2026					
Cost	**2,976,738**	**274,570,295**	**46,790,750**	**5,909,157**	**330,246,940**
Accumulated amortization	**(2,875,836)**	**(4,566,172)**	**(779,846)**	**(98,485)**	**(8,320,339)**
Net book value	**100,902**	**270,004,123**	**46,010,904**	**5,810,672**	**321,926,601**
Year ended June 30, 2025					
Opening net book value	205,924	-	-	-	205,924
Amortization charge for the year (note 6.1)	(61,777)	-	-	-	(61,777)
Closing net book value	144,147	-	-	-	144,147
As at June 30, 2025					
Cost	2,976,738	-	-	-	2,976,738
Accumulated amortization	(2,832,591)	-	-	-	(2,832,591)
Net book value	144,147	-	-	-	144,147
Annual rate of amortization (%)	**30%**	**6.67%**	**6.67%**	**6.67%**	

6.1 Amortization charge for the year has been allocated to administrative and operating expenses (note 29).

		Note	2026	2025
7	**LONG TERM INVESTMENT**			
	In subsidiary - at cost			
	Investment in Paramount Compliance (Private) Limited	7.1	**9,980**	9,980

7.1 In the prior years, the Modaraba had subscribed 998 ordinary shares of Paramount Compliance (Private) Limited, representing 99.8% of the share capital of Paramount Compliance (Private) Limited.

		Note	2026	2025
8	**MURABAHA FINANCING**			
	Secured:			
	Considered good		**73,291,673**	48,346,558
	Considered doubtful		**-**	256,661
	Suspended income	8.7	**(670,382)**	(1,146,416)
			72,621,291	47,456,803
	Less: provision for doubtful recoveries	8.4	**-**	(256,661)
			72,621,291	47,200,142
	Less: current portion		**(49,549,877)**	(27,796,568)
	Non-current portion		**23,071,414**	19,403,574

8.1 The Modaraba has sold goods under Murabaha arrangements whereby payment is deferred along with specified profit margin. Murabaha sale is receivable in installments. These arrangements are secured by way of hypothecation, mortgage of properties, charge on assets and personal guarantees. The combined forced sales value (FSV) of the underlying assets as security amounts to Rs. 514.15 million (2025: Rs. 216.913 million) in aggregate.

8.2 These facilities have various maturity dates up to August 31, 2029. Effective profit rate on these arrangements ranges from 10% to 19% (2025: 10.5% to 15%).

8.3 As explained in note 4.7, the Modaraba recognises the provision for doubtful recoveries at the higher of the expected credit loss (ECL) under IFRS 9 and the provision required by the prudential requirements of the Modarabas Regulations, 2021 (the Regulations). Under the Regulations, provisions are made on the outstanding exposure, net of the allowable forced sale value (FSV) of collateral, depending on how long instalments have been overdue. As at June 30, 2026, the ECL impact under IFRS 9 is not materially different from the provision required under the Regulations. Accordingly, no additional provision has been recognised.

		2026	2025
8.4	**Movement in provision for doubtful recoveries**		
	Opening balance	**256,661**	2,115,568
	Charge for the year	**-**	-
	Reversal made during the year	**(256,661)**	(480,680)
	Write off during the year	**-**	(1,378,227)
		(256,661)	(1,858,907)
	Closing balance	**-**	256,661

8.5 Contractual installments receivable on Murabaha financing facilities:

	Principal	Profit	Total
2026			
Overdue	**2,830,637**	**862,297**	**3,692,934**
Due within one year	**39,590,347**	**6,266,596**	**45,856,943**
Due after one year but within five years	**17,660,323**	**5,411,091**	**23,071,414**
Due after five years	**-**	**-**	**-**
	60,081,307	**12,539,984**	**72,621,291**
	Principal	**Profit**	**Total**
2025			
Overdue	256,661	-	256,661
Due within one year	22,627,784	5,168,784	27,796,568
Due after one year but within five years	16,040,586	3,362,988	19,403,574
Due after five years	-	-	-
	38,925,031	8,531,772	47,456,803

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

	Note	2026	2025
8.7 Suspended income			
Opening balance		**1,146,416**	1,255,341
Reversal of suspended income	22.1	**(972,276)**	(500,394)
Transferred to suspense income	22.1	**496,242**	967,255
Write off during the year		**-**	(575,786)
Closing balance		**670,382**	1,146,416

9 MUSHARAKA FINANCING - SECURED

Musharaka agreements for:			
Considered doubtful:			
Books printing - II	9.1	**13,949,054**	13,949,054
Less: provision for doubtful recoveries	9.2	**-**	-
		13,949,054	13,949,054
Less: current portion of musharaka financing		**(13,949,054)**	(13,949,054)
		-	-

9.1 In prior years, the Modaraba entered into a Musharaka arrangement of Rs. 20 million with M/s Tiflee Education (Private) Limited (the Musharaka partner) for printing 272,766 books. Profit on the investment is shared between the Modaraba and the Musharaka partner in the ratio of 64.09:35.91 (2025: 64.09:35.91). The financing is secured by a mortgage of immovable property. The arrangement was completed in prior years; however, the Musharaka partner has not repaid the principal and the Modaraba's share of profit. The Modaraba has therefore filed Banking Suit No. 32 of 2026 before Banking Court No. I, Karachi for recovery, which is pending adjudication as at the reporting date (refer note 27(a)(vii)). No new Musharaka financing was entered into during the year.

9.2 The financing is secured by a mortgage of immovable property having a forced sale value (FSV) of Rs. 64 million (2025: Rs. 64 million) as per the valuation report dated September 22, 2023. No provision has been recognized, as the outstanding balance is fully covered by the FSV benefit allowed under the prudential requirements of the Modarabas Regulations, 2021. As explained in note 4.7, the Modaraba also assesses the expected credit loss (ECL) under IFRS 9, and the impairment impact under the ECL model is not materially different from the provisioning requirements of the Regulations.

		2026	2025
9.3	**Contractual installments receivable on Musharaka financing facilities:**		
	Due within one year	**13,949,054**	13,949,054
	Due after one year	**-**	-
		13,949,054	13,949,054
10	**LOAN TO EMPLOYEES**		
	Secured:		
	Loan to employees	**565,503**	369,503
	Less: Current portion of loan to employees	**(156,000)**	(138,000)
		409,503	231,503

10.1 This represent profit free personal loans provided to employees of the Modaraba in accordance with the Modaraba's policy. The loans are recoverable in monthly instalments through deduction from salaries and are secured against the employees' provident fund balances. This include a loan to an executive amounting to Rs. 231,503 (2025: Rs. 291,503). The maximum aggregate amount outstanding from executives at the end of any month during the year was Rs. 286,503 (2025: Rs. 343,503).

		Note	2026	2025
11	**TRADE DEBTORS**			
	Unsecured:			
	Trade debtors		**125,015,116**	263,141,192
	Less: allowances for expected credit loss		**-**	(469,825)
		11.1	**125,015,116**	262,671,367
	Movement in allowances for expected credit loss			
	Balance as at July 1,		**469,825**	469,825
	Bad debts written off during the year		**(80,514)**	-
	Reversal of allowance for expected credit loss		**(389,311)**	-
	Balance as at June 30,		**-**	469,825
11.1	**Ageing analysis of trade debtors are as follows:**			
	Not yet due		**57,889,795**	237,289,640
	Upto 30 days		**45,887,242**	21,129,078
	31 to 90 days		**9,910,079**	2,396,903
	91 days to 180 days		**-**	-
	More than 180 days		**11,328,000**	2,325,571
			125,015,116	263,141,192

	Note	2026	2025
12 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Due from subsidiary		**3,214,940**	856,535
Advance against purchase of stock		**1,680,216**	2,112,199
Advance against expenses		**2,565,000**	3,449,494
Short-term prepayments		**2,842,122**	686,534
Sales tax receivable		**7,204,442**	8,087,851
Due from AML project	12.1	**-**	15,637,114
Other receivables	12.2	**4,730,189**	3,510,988
		22,236,909	34,340,715

12.1 Up to March 31, 2026, the Modaraba managed the business segment "FPM AML/CFT Solutions", which serves the corporate and financial sector, as "Modarib" under a Modaraba arrangement with an individual. The individual had invested 100% of the capital as "Rab-ul-Maal". Net profit was shared between the Modarib and the Rab-ul-Maal in the ratio of 60:40, and the Modaraba could temporarily advance up to Rs. 16 million to the project. The balance represented operational expenses borne by the Modaraba on behalf of the project.

As Modarib, the Modaraba's rights were limited to managing the project's operations and receiving its share of profit. The Rab-ul-Maal was the owner of the project and its net assets. The Modaraba held no ownership interest in, or control over, the project.

The Modaraba arrangement was dissolved on a constructive liquidation basis with effect from March 31, 2026. With effect from April 1, 2026, the Modaraba acquired a 60% ownership interest in the business. The parties then entered into a Musharaka arrangement, with the Modaraba as Managing Partner (60%) and the other Partner (40%). From that date the business is accounted for as a business combination (note 4.28). The balance due from the project is written off in the statement of profit or loss and other comprehensive income.

The movement in the balance due from the AML project up to the date of acquisition is as under:

	2026	2025
Opening balance	**15,637,114**	14,754,723
Add: payments made during the year	**270,301**	18,387,571
Less: balance written off	**(15,907,415)**	-
Less: recovered from the project	**-**	(17,505,180)
Closing balance	**-**	15,637,114

The AML project has consistently incurred losses since its inception. In adherence to the Islamic principle of Modaraba financing, these losses shall be borne by the Rabb-ul-Maal. Consequently, no loss had been recorded in the Modaraba's books in 2026 (2025: Nil).

12.2 This includes Rs. 1.2 million deducted directly from the bank account of the Modaraba on the instruction of the Federal Board of Revenue (FBR) vide letter no. CIR/Zone-1/CRTO/KHI/2016/2544 dated December 15, 2016 on account of non deduction of withholding tax. (refer Note 27(a)(viii)).

	Note	2026	2025
13 SHORT TERM MURABAHA FINANCING - SECURED			
Short term murabaha financing - considered good	13.1	**-**	**4,791,668**
Short term murabaha financing - considered doubtful		**-**	**-**
		-	**4,791,668**
Less: Provision for doubtful recoveries		**-**	**-**
		-	**4,791,668**

13.1 Murabaha sale price is receivable in installments. Effective profit rate on this arrangement is 15% (2025: 15%) per annum receivable on agreed terms. This financing are secured by way of mortgage of properties. The forced sales value (FSV) of the underlying assets as security as at June 30, 2026 amounts to Nil (2025: Rs 219.96 million) in aggregate. No new short term murabaha financing provided during the year.

	Note	2026	2025
14 CURRENT PORTION OF NON-CURRENT ASSETS			
Current portion of murabaha financing	8	**49,549,877**	27,796,568
Current portion of musharaka financing	9	**13,949,054**	13,949,054
Current portion of loan to employees	10	**156,000**	138,000
		63,654,931	41,883,622
15 SHORT TERM DEPOSIT			
Deposits		**2,731,050**	2,738,994
Less: allowance for expected credit loss	15.1	**(1,932,194)**	(2,482,194)
		798,856	256,800
15.1 Movement in allowance for expected credit loss			
Balance as at July 01,		**2,482,194**	1,100,000
(Reversal) / charge of the year		**(550,000)**	1,382,194
Balance as at June 30,		**1,932,194**	2,482,194

		Note	2026	2025
16	**ACCRUED PROFIT**			
	Profit receivable on bank deposits		**121,657**	70,332
			121,657	70,332
17	**SHORT TERM INVESTMENT**			
	At fair value through profit or loss			
	Pak Qatar-daily dividend plan	17.1	**25,151,747**	23,434,916
17.1	**Movement in short term investment**			
	Opening balance		**23,434,916**	21,308,669
	Add: dividend reinvested (dividend-net of tax)		**1,716,831**	2,126,247
	Closing balance		**25,151,747**	23,434,916

This represents investment in a mutual fund comprising 251,517 units (2025: 234,349 units) at NAV of Rs. 100 per unit (2025: Rs. 100 per unit).

		Note	2026	2025
18	**TAXATION - NET**			
	Opening balance		**68,067,855**	64,106,437
	Advance tax paid		**36,394,747**	31,238,911
	Received during the year		**(3,350,509)**	(19,195,939)
			101,112,093	76,149,409
	Provision for income tax and levy for the year		**(27,660,343)**	(8,243,603)
	Prior year adjustment		**(1,046,757)**	162,049
			72,404,993	68,067,855
19	**CASH AND BANK BALANCES**			
	Cash in hand		**66,010**	64,533
	Cash at banks:			
	- Current accounts			
	- State Bank of Pakistan		**24,768**	31,318
	- Other banks		**10,175,826**	8,746,725
	- Deposit accounts	19.1	**50,889,319**	9,367,735
			61,155,923	18,210,311

19.1 These carry profit rate in respect of deposit accounts ranging from 2.19% to 6.93% (2025: 4.5% to 9.2%) per annum.

20 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

2026	2025		2026	2025
(Number of certificates)				
11,989,930	11,989,930	Certificates of Rupees 10 each fully paid in cash.	**119,899,298**	119,899,298
1,798,490	1,798,490	Bonus certificates issued of Rupees 10 each.	**17,984,895**	17,984,895
13,788,420	13,788,420		**137,884,193**	137,884,193

20.1 As at June 30, 2026, Paramount Investments Limited (the Management Company) holds 14.26% (2025: 14.26%) representing 1,965,768 certificates (2025: 1,965,768 certificates) of the Modaraba.

21 CAPITAL RESERVES

	Note	2026	2025
Statutory reserve	21.1	**270,699,319**	111,681,228
Merger reserve	21.2	**1,935,160**	1,935,160
		272,634,479	113,616,388

21.1 Statutory reserve represents profit set aside to comply with the Modarabas Regulations, 2021 issued by the SECP vide S.R.O. 284(I)/2021 dated March 05, 2021. These Regulations require Modaraba which is not compliant with minimum equity requirements as provided in the regulations to create a reserve fund and credit an amount equivalent to 100% of its annual after-tax profit till such time the minimum equity requirements are complied with. During the year, the Modaraba transferred 100% of its after tax profits amounting to Rs. 159.02 million (2025: Rs. 23.90 million).

21.2 In accordance with decision of the Honorable High Court of Sindh as on December 08, 2004, the First National Modaraba (FNM) was merged with the Modaraba. The Modaraba received a sum of Rs. 10.598 million from FNM, including Rs. 8.663 million as a certificate capital and Rs. 1.935 million as capital reserve.

		Note	2026	2025
22	**DEFERRED INCOME**			
	Deferred murabaha income	22.1	**11,983,594**	8,730,348
			11,983,594	8,730,348
	Less: current maturity of deferred income		**(6,572,503)**	(5,367,360)
			5,411,091	3,362,988
22.1	**Deferred murabaha income**			
	Balance as at July 1,		**8,730,348**	15,101,882
	Add: deferred income for the year		**19,464,705**	7,327,446
	Less: income recognized during the year		**(16,298,460)**	(13,232,119)
	Less: transferred to suspense income		**(496,242)**	(967,255)
	Less: unearned profit adjusted		**(389,033)**	-
	Add: reversal of suspended income		**972,276**	500,394
	Balance as at June 30,		**11,983,594**	8,730,348
23	**CERTIFICATES OF MUSHARAKA**			
	Balance as at July 1,		**173,375,000**	168,400,000
	Issued during the year		**14,350,000**	35,700,000
	Redeemed during the year		**(16,525,000)**	(30,725,000)
			171,200,000	173,375,000
	Less: current maturity of certificates of musharaka		**(39,575,000)**	(41,500,000)
	Balance as at June 30,		**131,625,000**	131,875,000

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

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

The extended compliance timeline lapsed on August 14, 2025. As the Modaraba remains non-compliant with the minimum equity and credit rating requirements set out in Regulations 17 and 19, it applied to the Securities and Exchange Commission of Pakistan (SECP) for an extension. Subsequent to the year end, through its letter No. SC/M/RS/33/Paramount/321 dated September 2, 2026, the SECP granted further extension till February 15, 2027, under Regulation 35 of the Regulations, to comply with the minimum equity and credit rating requirements. The extension is subject to the following conditions:

a) the proposed rights issue shall be completed within the stipulated timeline and the Modaraba shall achieve the minimum equity requirement of Rs. 500 million;

b) immediately upon completion of the rights issue and achievement of the minimum equity requirement, the Modaraba shall approach a credit rating company for review of its credit rating; and

c) the Modaraba shall continue to comply with all conditions imposed by the SECP through its letter dated March 17, 2026, to the extent applicable.

Subsequent to the year end, the Modaraba completed a rights issue of 6,894,210 certificates at Rs. 10 each, in the ratio of one certificate for every two certificates held (50%), raising Rs. 68.94 million. The rights issue was fully underwritten, and the certificates were allotted and credited on September 23, 2026 and October 8, 2026. Consequently, the issued, subscribed and paid-up certificate capital of the Modaraba has increased to Rs. 206.83 million, comprising 20,682,630 certificates. The Modaraba will approach a credit rating company for review of its credit rating, as required by the SECP. The management is confident that the Modaraba will achieve compliance with the above requirements within the extended period ending February 15, 2027.

23.2 These certificates have different denominations and are repayable within three months to five years. The expected share of profit on these certificates ranges from 8% to 11% (2025: 9.5% to 14.5%) per annum.

24 CREDITORS, ACCRUED AND OTHER LIABILITIES

	2026	2025
Management fee payable	**15,371,494**	105,019
Creditors	**7,987,281**	18,080,085
Accrued expenses	**2,104,209**	1,973,269
Sindh workers' welfare fund	**6,484,979**	3,162,840
Withholding income tax	**1,981,383**	3,117,495
Share of modarib payable under FPM petro	**1,304,669**	-
Payable to provident fund	**-**	36,127
Others	**4,041,487**	2,056,432
	39,275,502	28,531,267

25 CERTIFICATE OF MUSHARAKA - MATURED AND PAYABLE

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

26 ACCRUED PROFIT ON CERTIFICATES OF MUSHARAKA

	2026	2025
Balance as at July 01,	**3,331,368**	3,514,280
Add: accrued during the year	**17,300,987**	22,135,622
Less: paid during the year	**(18,259,036)**	(22,318,534)
Balance as at June 30,	**2,373,319**	3,331,368

27 CONTINGENCIES AND COMMITMENTS

a) Contingencies

Sr. No	Name of the court, agency or authority	Description	Order-in-Original No. & date	Tax period	Disputed amount (Rs.)
i	Commissioner (Appeals), Sindh Revenue Board, Karachi	Appeal was filed by the Modaraba against Order-in-original No.629 of 2019 dated 19 July 2019 for the tax period July 2016 to June 2017 on account of non-payment of Sindh Sales Tax on Services.	No.629 of 2019, 19 July 2019	July 2016 to June 2017	**1,762,208 along with penalty of 120,000 and default surcharge (to be calculated at the time of payment)**
ii	Commissioner (Appeals), Sindh Revenue Board, Karachi	Appeal was filed by the Modaraba against Order-in-Original No.632 of 2019 dated 23 July 2019 for the tax period July 2017 to December 2017 on account of non-payment of Sindh Sales Tax on Services.	No.632 of 2019, 23 July 2019	July 2017 to December 2017	**130,210 along with penalty of 60,000 and default surcharge (to be calculated at the time of payment)**
iii	Commissioner (Appeals), Sindh Revenue Board, Karachi	Appeal was filed by the Modaraba against Order-in-Original No.635 of 2019 dated 25 July 2019 for the tax period July 2011 to June 2012 on account of non-payment of Sindh Sales Tax on Services.	No.635 of 2019, 25 July 2019	July 2011 to June 2012	**95,448 along with penalty of 12,000 and default surcharge (to be calculated at the time of payment)**
iv	Commissioner (Appeals), Sindh Revenue Board, Karachi	Appeal was filed by the Modaraba against Order-in-Original No.636 of 2019 dated 29 July 2019 for the tax period July 2015 to June 2016 on account of non-payment of Sindh Sales Tax on Services.	No.636 of 2019, 29 July 2019	July 2015 to June 2016	**4,548,801 along with penalty of 227,440 and default surcharge (to be calculated at the time of payment)**
v	Commissioner (Appeals), Sindh Revenue Board, Karachi	Appeal was filed by the Modaraba against Order-in-Original No. 915 of 2022 dated 27 April 2022 for the tax period July 2011 to June 2017 on account of non-payment of Sindh Sales Tax on Services.	No.915 of 2022, 27 April 2022	July 2011 to June 2017	**8,273,947 along with penalty of 413,697 and default surcharge (to be calculated at the time of payment)**

FIRST PARAMOUNT MODARABA
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

Sr. No	Name of the court, agency or authority	Description	Order-in-Original No. & date	Tax period	Disputed amount (Rs.)
vi	Commissioner Appeals (III), Corporate Tax Office, FBR, Karachi	Appeal filed under section 45-B of the Sales Tax Act, 1990 by the Modaraba against Order-in-Original 162 dated 18 June 2025 for the tax period July 2021 to March 2025 on account of discrepancies regarding inadmissible tax adjustment of Sales Tax returns. The case has been decided vide order No. 12/2025 dated 29 November 2025 and remanded back to the Tax authority.	No.162, 18 June 2025	July 2021 to March 2025	**18,619,848 along with penalty of 18,619,848 and default surcharge (to be calculated at the time of payment)**
vii	Banking Court No. 1, Karachi	The Modaraba has filed a suit against M/s Tiflee Education (Private) Limited and its mortgagor, Mr. Muhammad Mehboob Ali Khan, to recover its Musharaka financing of Rs. 13.949 million. The claim also includes profit at 18% per annum and liquidated damages. Defendant No. 1's application for leave to defend is expected to be heard in November 2026, and Defendant No. 2 has been proceeded against ex parte. The financing is secured by a mortgage of property with a forced sale value of Rs. 64.00 million (refer note 9.2). Based on legal advice, management expects a favourable outcome, so no provision has been made.	Banking Suit No. 32 of 2026 (summons dated January 21, 2026)	-	**13,949,054**
viii	Commissioner Inland Revenue (Appeals-III), Karachi	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 15 December 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.	Letter No. CIR/Zone-1/CRTO/Khi/2016/2544, 15 December 2016	July 2015 to June 2016	**1,205,511**

b) Commitments

There were no commitments as at June 30, 2026 (2025: Nil).

	Note	2026	2025
28 INCOME FROM TRADING OPERATIONS			
Income from:			
- FPM Petro	28.1	**55,780,569**	81,790,354
		55,780,569	81,790,354
28.1 Income from FPM petro			
Revenue - net	28.1.1	**417,964,050**	580,407,261
Less: Direct costs			
Cost of sales	28.1.2	**323,535,811**	425,083,257
Transportation charges		**6,339,700**	27,507,815
Labour charges		**1,778,920**	1,582,840
Lab testing		**371,675**	72,850
Share of modarib		**30,157,375**	44,370,145
		362,183,481	498,616,907
		55,780,569	81,790,354

28.1.1 This represents revenue (net of sales tax) generated from chemical business of FPM Petro Services. Sales tax charged on sales tax invoices issued during the year in aggregate amounted to Rs. 75.33 million (2025: Rs. 104.26 million).

	2026	2025
28.1.2 Cost of sales		
Opening stock	**12,475,079**	24,102,663
Purchases	**341,133,331**	413,455,673
Less: closing stock	**(30,072,599)**	(12,475,079)
Cost of sales	**323,535,811**	425,083,257

		Note	2026	2025
29	**ADMINISTRATIVE AND OPERATING EXPENSES**			
	Salaries, allowances and other benefits	29.1	**24,095,765**	20,836,502
	Utilities		**1,726,488**	1,759,309
	Repairs and maintenance		**819,316**	677,296
	Takaful insurance		**2,011,692**	1,602,097
	Rent, rates and taxes	29.2	**3,080,790**	3,133,236
	Travelling and conveyance		**5,022,838**	4,201,956
	Communications		**2,181,376**	794,843
	Printing and stationery		**287,456**	396,989
	Auditor's remuneration	29.3	**1,050,000**	1,047,622
	Legal and professional		**362,500**	865,110
	Fees and subscriptions		**8,674,800**	4,664,436
	Shariah advisor fees		**768,000**	210,000
	News papers and periodicals		**12,600**	11,260
	Advertisement and publicity		**512,238**	72,000
	Depreciation		**4,617,620**	4,219,920
	Amortization		**5,487,748**	61,777
	Others		**4,738,387**	1,463,225
			65,449,614	46,017,578

29.1 Salaries, allowances and benefits include Rs. 0.791 million (2025: Rs. 0.678 million) on account of the Modaraba's contribution to the staff provident fund.

29.2 This includes Rs. 2.357 million charge by director (2025: Rs. 2.152 million) in respect of rent for office premises.

		2026	2025
29.3	**Auditor's remuneration**		
	Statutory audit fee	**525,000**	504,815
	Half yearly review fee	**125,000**	118,148
	Review of COCG and certification fee	**85,000**	85,000
	Annual shariah audit fee	**150,000**	130,000
	Consolidation fee	**130,000**	115,000
	Out of pocket expense	**35,000**	17,037
	SST	**-**	77,622
		1,050,000	1,047,622

		2026	2025
30	**OTHER INCOME**		
	Profit on bank deposits	**1,646,681**	2,218,006
	Dividend income	**2,407,568**	2,846,762
	Other income	**2,061,831**	1,010,000
	Gain on disposal of property and equipment	**-**	1,544,342
		6,116,080	7,619,110
31	**OTHER EXPENSES**		
	Due from AML project written off	**15,907,415**	**-**
32	**FINANCIAL CHARGES**		
	Profit on certificates of musharaka	**17,300,987**	22,135,622
	Bank charges	**14,890**	10,034
		17,315,877	22,145,656

33 Modaraba Management Company's remuneration

The Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the annual net profits of the Modaraba. The fee for the year ended June 30, 2026 has been recognized at 10% (2025: 10%) of profit for the year.

		Note	2026	2025
34	**LEVY AND TAXATION**			
	Levy	34.1	**27,660,343**	711,691
	Taxation	34.3	**(21,499,208)**	7,369,863
			6,161,135	8,081,554

34.1 This represents minimum and final taxes paid under relevant sections of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

34.2 Reconciliation of current tax charge as per tax laws for the year, with current tax recognized in the profit or loss account, is as follows:

	2026	2025
Current tax charge for the year as per applicable tax laws	**27,660,343**	8,243,603
Portion of current tax liability as per tax laws, representing income tax under IAS12	**-**	(7,531,912)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC	**(27,660,343)**	(711,691)
	-	**-**

	Note	2026	2025
34.3 TAXATION			
Current tax		-	7,531,912
Prior year tax		**1,046,757**	(162,049)
		1,046,757	7,369,863
Deferred tax	34.4	**(22,545,965)**	-
		(21,499,208)	7,369,863
Relationship between accounting profit and tax expense			
Accounting profit before taxation		**135,124,443**	31,268,064
Tax at applicable rate of 29%		**39,186,088**	9,067,739
Effect of:			
Levy not deductible for tax purposes		**8,021,499**	206,390
Gain on purchase of business not taxable		**(56,376,000)**	-
Dividend income taxed under final tax regime		**(698,195)**	(825,561)
Effect of temporary differences		**(734,670)**	102,983
Recognised as deferred tax asset		**(25,658,464)**	-
Prior year tax		**1,046,757**	(162,049)
Tax losses on which deferred tax asset not recognised		**13,713,776**	-
Other		-	(1,019,639)
		(21,499,209)	7,369,863
34.4 DEFERRED TAX (ASSET) / LIABILITY			
Deferred tax asset comprises of:			
(Deductible) temporary differences on:			
Murabaha financing		-	(118,978)
Allowance for expected credit loss on trade receivables		-	(122,790)
Tax credit on Alternate Corporate Tax		**(25,658,464)**	-
Creditors, accrued and other liabilities		**(1,880,644)**	(1,641,387)
		(27,539,108)	(1,883,155)
Deferred tax liability comprises of:			
Taxable temporary differences on:			
Property and equipment		**288,817**	566,986
Intangible		**4,704,326**	-
		4,993,143	566,986
As at June 30,			
Net deferred tax asset	34.5	**(22,545,965)**	(1,316,169)
Less: deferred tax asset not recognised		-	1,316,169
Deferred tax asset recognised		**(22,545,965)**	-

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34.5 Deferred tax asset has been recognised on the tax credit of Alternate Corporate Tax under section 113C of the Income Tax Ordinance, 2001, which is adjustable against the tax liability of subsequent tax years, and on deductible temporary differences, as management expects sufficient taxable profits in future years against which these can be utilised. The entire deferred tax asset of Rs. 27.539 million has been recognised in statement of profit or loss and other comprehensive income for the year (2025: deferred tax asset of Rs. 1.316 million was not recognised).The excess of Alternate Corporate Tax over the corporate tax can be carried forward for adjustment against the tax liability of the subsequent ten tax years.

35 EARNINGS PER CERTIFICATE - BASIC AND DILUTED

	2026	2025
Profit for the year (Rupees)	**159,018,091**	23,898,201
Weighted average number of certificates	**13,788,420**	13,788,420
Earnings per certificate - basic and diluted (Rupees)	**11.53**	1.73

35.1 There is no dilutive effect on the basic earnings per certificate of the Modaraba, since there are no convertible instruments in issue as at June 30, 2026 (2025: Nil) which would have any effect on the earnings per certificate if the option to convert is exercised.

36 CHANGES ARISING FROM FINANCING ACTIVITIES

2026	July 1, 2025	Financing cash inflows	Financing cash outflows	Non cash changes	June 30, 2026
Unclaimed profit distributions	**18,620,240**	**-**	**(605,839)**	**-**	**18,014,401**
Accrued profit on certificates of musharaka	**3,331,368**	**-**	**(18,259,036)**	**17,300,987**	**2,373,319**
Certificate of musharaka - matured and payable	**2,800,000**	**-**	**-**	**-**	**2,800,000**
Certificates of musharaka	**173,375,000**	**14,350,000**	**(16,525,000)**	**-**	**171,200,000**

2025	July 1, 2024	Financing cash inflows	Financing cash outflows	Non cash changes	June 30, 2025
Unclaimed profit distributions	18,729,685	-	(109,445)	-	18,620,240
Accrued profit on certificates of musharaka	3,514,280	-	(22,318,534)	22,135,622	3,331,368
Certificate of musharaka - matured and payable	2,800,000	-	-	-	2,800,000
Certificates of musharaka	168,400,000	35,700,000	(30,725,000)	-	173,375,000

37 REMUNERATION OF EXECUTIVES AND OTHER EMPLOYEES

	2026		2025	
	Executives	Other employees	Executives	Other employees
Managerial remuneration	**7,465,993**	**11,011,067**	6,296,462	8,676,410
Allowances	**1,246,517**	**2,028,567**	891,754	2,950,581
Provident fund	**373,300**	**417,382**	314,823	363,164
EOBI	**120,000**	**248,550**	88,800	226,200
Others	**280,018**	**872,213**	127,012	901,296
	9,485,828	**14,577,779**	7,718,851	13,117,651
Number of persons	**5**	**16**	4	13

37.1 Certain executives are provided free use of the Modaraba's car including fuel and insurance.

37.2 No remuneration paid to the directors of the Modaraba Management Company for the year ended June 30, 2026 (2025: Nil).

38 TRANSACTION WITH RELATED PARTIES

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

	Relationship with Modaraba	Name of Related Party	Basis of relationship	Nature of transaction	2026	2025
	Transactions during the year:					
i.	Management Company	Paramount Investments Limited	14.26% certificate holdings	Management fee for the year	**18,456,325**	3,625,823
				Payments made during the year	**3,189,850**	3,807,641
ii.	Director	Nadeem Iqbal	Key management personnel	Rent for the office premises	**2,357,150**	2,151,668
iii.	Staff retirement funds	Paramount Investments Limited - Employees' Provident Fund	Funded provident fund scheme	Contribution to the fund	**790,682**	677,987
				Profit paid on certificates of musharaka	**145,251**	187,254
iv.	Subsidiary company	Paramount Compliance (Private) Limited	Subsidiary company	Expenses paid on behalf of subsidiary	**2,358,405**	856,535
	Balance as at June 30, 2026					
i.	Management Company	Paramount Investments Limited	14.26% certificate holdings	Management fee	**(15,371,494)**	(105,019)
ii.	Director	Nadeem Iqbal	Key management personnel	Security deposit	**217,800**	217,800
iii.	Staff retirement funds	Paramount Investments Limited - Employees' Provident Fund	Funded provident fund scheme	Certificates of musharaka	**(1,400,000)**	(1,400,000)
				Accrued profit on certificate of musharaka	**(2,726)**	(3,764)
iv.	Subsidiary company	Paramount Compliance (Private) Limited	Subsidiary company	Expenses paid on behalf of subsidiary	**3,214,940**	856,535

38.1 Detail of compensation to key management personnel comprising of executives is disclosed in Note 37.

39 INFORMATION ABOUT BUSINESS SEGMENTS

39.1 The Modaraba is organised into business divisions based on the products and services offered, each of which is maintained as separate in the books of account. The Modaraba's reportable segments are as follows as per the Modaraba's policy:

Financing

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

FPM Petro Services

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

FPM AML/CFT Solutions

The segment provides anti-money laundering and countering the financing of terrorism (AML/CFT) solutions to corporate and financial sector clients. The business was acquired during the year (note 4.28) and is carried on under a musharaka arrangement in which the Modaraba's share is 60% and the musharaka partner's share is 40%.

Others

Others comprise FPM Solutions (power back-up solutions through UPS and batteries), FPM Consulting and FPM Geo Dynamics International. None of these meets the quantitative thresholds for a separate reportable segment.

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

39.2 Segment assets and liabilities

Segment assets and liabilities are the balances held in the books of each division at the reporting date. Balances maintained at head office, including bank balances, investments, taxation and certificates of musharaka, are reported in the financing segment. Balances between divisions are eliminated. Certificate capital, reserves, unappropriated profit and the musharaka partner's interest are not allocated to segments. Segment results are measured on the same basis as statement of profit or loss and other comprehensive income in these financial statements.

	2026				
	Financing	FPM Petro	FPM AML	Others	Total
Segment assets	**281,979,305**	**186,179,860**	**335,738,026**	**1,866,325**	**805,763,516**
Segment liabilities	**(234,451,742)**	**(5,432,464)**	**(5,756,443)**	**(6,167)**	**(245,646,816)**

	2025				
	Financing	FPM Petro	FPM AML	Others	Total
Segment assets	90,118,458	407,148,862	-	12,013,952	509,281,272
Segment liabilities	(88,357,225)	(126,185,867)	-	(20,845,131)	(235,388,223)

39.3 Segment revenue and results

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

	2026				
	Financing	FPM Petro	FPM AML	Others	Total
Operating revenue	16,298,460	417,964,050	9,445,074	-	443,707,584
Administration and operating expenses	(43,552,834)	(367,450,907)	(15,429,373)	(1,199,981)	(427,633,095)
Provision for doubtful recoveries	256,662	600,338	-	338,973	1,195,973
Other income	4,405,600	1,568,576	-	141,904	6,116,080
Net gain on business combination	194,400,000	-	-	-	194,400,000
Other expenses	(15,907,415)	-	-	-	(15,907,415)
	155,900,473	52,682,057	(5,984,299)	(719,104)	201,879,127
Financial charges	(17,313,434)	(497)	(1,800)	(146)	(17,315,877)
	138,587,039	52,681,560	(5,986,099)	(719,250)	184,563,250
Modaraba Company's management fee	(13,858,704)	(5,268,156)	598,610	71,925	(18,456,325)
	124,728,335	47,413,404	(5,387,489)	(647,325)	166,106,925
Sindh workers' welfare fund	(2,494,568)	(948,268)	107,750	12,947	(3,322,139)
Profit before income tax and levy	122,233,767	46,465,136	(5,279,739)	(634,378)	162,784,786
Levy	(27,660,343)	-	-	-	(27,660,343)
Profit before income tax	94,573,424	46,465,136	(5,279,739)	(634,378)	135,124,443
Taxation- net	21,499,208	-	-	-	21,499,208
Profit for the year	116,072,632	46,465,136	(5,279,739)	(634,378)	156,623,651

	2025				
	Financing	FPM Petro	FPM AML	Others	Total
Operating revenue	15,523,510	580,407,261	-	-	595,930,771
Administration and operating expenses	(40,801,881)	(503,644,811)	-	(187,793)	(544,634,485)
Provision for doubtful recoveries	(511,514)	-	-	-	(511,514)
Other income	2,239,511	5,375,109	-	4,490	7,619,110
	(23,550,374)	82,137,559	-	(183,303)	58,403,882
Financial charges	(22,144,324)	(958)	-	(374)	(22,145,656)
	(45,694,698)	82,136,601	-	(183,677)	36,258,226
Modaraba Company's management fee	4,569,470	(8,213,661)	-	18,368	(3,625,823)
	(41,125,228)	73,922,939	-	(165,309)	32,632,403
Sindh workers' welfare fund	822,505	(1,478,459)	-	3,306	(652,648)
Profit before levy and taxation	(40,302,723)	72,444,480	-	(162,003)	31,979,755
Levy	(711,691)	-	-	-	(711,691)
Profit before taxation	(41,014,414)	72,444,480	-	(162,003)	31,268,064
Taxation- net	(7,369,863)	-	-	-	(7,369,863)
Profit after taxation	(48,384,277)	72,444,480	-	(162,003)	23,898,201

39.4 Entity-wide information

39.4.1 Geographical information

Revenue from external customers, based on the location of the customers, is as follows:

	2026	2025
Pakistan	**442,686,505**	595,930,771
United Arab Emirates	**1,021,079**	-
	443,707,584	595,930,771

All non-current assets of the Modaraba are located in Pakistan.

39.4.2 Information about major customers

Revenue from two customers (2025: two customers) of the FPM Petro Services segment amounted to Rs. 358,731,302 (2025: Rs. 540,662,559). Each customer individually accounts for 10% or more of the Modaraba's total revenue.

40 RISK MANAGEMENT

40.1 Financial risk management

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

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

- Credit risk
- Liquidity risk
- Market risk

(a) Credit risk

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

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

	2026	2025
Murabaha financing	**72,621,291**	47,200,142
Musharaka financing	**13,949,054**	13,949,054
Loan to employees	**565,503**	369,503
Long-term deposits	**7,800**	7,700
Trade debtors	**125,015,116**	262,671,367
Advances and other receivables	**7,945,129**	20,004,637
Advance against Morabaha	**17,500,000**	-
Short term murabaha financing	**-**	4,791,668
Short term deposit	**798,856**	256,800
Accrued profit	**121,657**	70,332
Short-term investment	**25,151,747**	23,434,916
Bank balances	**61,065,145**	18,114,460
	324,741,298	390,870,579

Description of collateral held

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

Concentration of credit risk

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

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected 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:

	2026		2025	
	Amount	%	Amount	%
Chemical, fertilizer and pharmaceutical	**9,472,089**	**10.94%**	17,030,637	25.73%
Fuel and energy	**-**	**0.00%**	1,577,772	2.38%
Food, tobacco and beverages	**15,006,381**	**17.33%**	14,032,397	21.20%
Paper and board	**19,990,737**	**23.09%**	26,764,420	40.43%
Furniture manufacturing	**22,050,000**	**25.47%**	4,791,668	7.24%
Textile and garments	**-**	**0.00%**	-	0.00%
Steel, engineering and automobiles	**-**	**0.00%**	-	0.00%
Transportation and communication	**-**	**0.00%**	630,980	0.95%
Others	**20,051,138**	**23.17%**	1,369,651	2.07%
	86,570,345	**100%**	66,197,525	100%

The Modaraba's credit exposure is mainly in Pakistan.

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

	Rating			2026	2025
Banks	Long-term	Short-term	Agency		
Habib Bank Limited	AAA	A1+	VIS	**422,674**	422,674
Habib Metropolitan Bank Limited	AAA	A1+	PACRA	**11,706,489**	10,725,612
Faysal Bank Limited	AA+	A1+	PACRA	**378,945**	296,797
Meezan Bank Limited	AAA	A1+	VIS	**48,532,720**	6,655,096
Al Baraka Bank (Pakistan) Limited	AA-	A1	VIS	**11,689**	11,452
Bank Islami Pakistan Limited	AA-	A1	PACRA	**12,628**	2,829
				61,065,145	18,114,460

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

(b) Liquidity Risk

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

Contractual maturities of financial liabilities:

2026	Carrying amount	Contractual cash flows			
		Maturity upto one year	Maturity after one year but upto three years	More than three years	Total
Certificates of musharaka	**171,200,000**	**39,575,000**	**111,525,000**	**20,100,000**	**171,200,000**
Creditors, accrued and other liabilities	**30,809,140**	**30,809,140**	**-**	**-**	**30,809,140**
Accrued profit on certificates of musharaka	**2,373,319**	**2,373,319**	**-**	**-**	**2,373,319**
Certificate of musharaka - matured and payable	**2,800,000**	**2,800,000**	**-**	**-**	**2,800,000**
Unclaimed profit distributions	**18,014,401**	**18,014,401**	**-**	**-**	**18,014,401**
Total	**225,196,860**	**93,571,860**	**111,525,000**	**20,100,000**	**225,196,860**

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

c) Market risk

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

(i) Currency risk

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

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. There is other price risk of changes in the fair value of investment in mutual funds as a result of changes in the levels of net asset value of units held by the Modaraba. As at June 30, 2026, had there been increase / decrease in net asset value by 1%, with all other variables held constant, the profit before tax for the year and equity would have been higher / lower by Rupees 0.252 million (June 30, 2025: Rupees 0.234 million) and Rupees 0.179 million (June 30, 2025: Rupees 0.166 million) respectively.

(iii) Profit rate risk

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

	2026	2025
Financial assets		
Fixed rate		
Murabaha financing	**72,621,291**	47,200,142
Short-term murabaha financing	**-**	4,791,668
	72,621,291	51,991,810
Financial assets		
Variable rate		
Bank balances	**50,889,319**	9,367,735
	50,889,319	9,367,735

	2026	2025
Financial liabilities		
Variable rate		
Certificate of musharaka	**171,200,000**	173,375,000
On statement of financial position gap	**(120,310,681)**	(164,007,265)

Cash flow sensitivity analysis for variable rate instruments

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

	2026		2025	
	Increase	Decrease	Increase	Decrease
Cash flow sensitivity - variable rate financial assets	**361,314**	**(361,314)**	66,511	(66,511)
Cash flow sensitivity - variable rate financial liabilities	**(1,215,520)**	**1,215,520**	(1,230,963)	1,230,963
Net effect	**(854,206)**	**854,206**	(1,164,452)	1,164,452

40.2 Recognized fair value measurements

(a) Financial assets

Fair value hierarchy

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

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

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

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

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

	June 30, 2026			
	Level-1	Level-2	Level-3	Total
Assets				
Short term investment				
Fair value through profit or loss	**25,151,747**	**-**	**-**	**25,151,747**

	June 30, 2025			
	Level-1	Level-2	Level-3	Total
Assets				
Short term investment				
Fair value through profit or loss	23,434,916	-	-	23,434,916

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

(b) Non financial assets

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

40.3 Financial instruments by categories

	At amortized cost	
	2026	2025
Financial assets as per statement of financial position		
Murabaha financing	**72,621,291**	47,200,142
Musharaka financing	**13,949,054**	13,949,054
Loan to employees	**565,503**	369,503
Long term deposits	**7,800**	7,700
Trade debtors	**125,015,116**	262,671,367
Advance against murabaha financing	**17,500,000**	**-**
Advances and other receivables	**7,945,129**	20,004,637
Short term murabaha financing	**-**	4,791,668
Short term deposit	**798,856**	256,800
Accrued profit	**121,657**	70,332
Cash and bank balances	**61,155,923**	18,210,311
	299,680,329	367,531,514

	At fair value through profit or loss	
	2026	2025
Short term investment	**25,151,747**	23,434,916

	At amortized cost	
Financial liabilities as per statement of financial position		
Certificates of musharaka	**171,200,000**	173,375,000
Creditors, accrued and other liabilities	**30,809,140**	22,250,932
Certificate of musharaka - matured and payable	**2,800,000**	2,800,000
Accrued profit on certificates of musharaka	**2,373,319**	3,331,368
Unclaimed profit distributions	**18,014,401**	18,620,240
	225,196,860	220,377,540

Reconciliation to the line items presented in the statement of financial position is as follows:

	Financial assets	Non-financial assets	Total as per Statement of Financial Position
As at June 30, 2026			
Assets as per statement of financial position			
Property and equipment	**-**	**19,679,522**	**19,679,522**
Intangible assets	**-**	**321,926,601**	**321,926,601**
Long term investments	**-**	**9,980**	**9,980**
Murabaha financing	**72,621,291**	**-**	**72,621,291**
Musharaka financing	**13,949,054**	**-**	**13,949,054**
Loan to employees	**565,503**	**-**	**565,503**
Long term deposits	**7,800**	**-**	**7,800**
Deferred tax asset	**-**	**22,545,965**	**22,545,965**
Stock in trade	**-**	**30,072,599**	**30,072,599**
Trade debtors	**125,015,116**	**-**	**125,015,116**
Advances, prepayments and other receivables	**7,945,129**	**14,291,780**	**22,236,909**
Advance against murabaha financing	**17,500,000**		**17,500,000**
Short term murabaha financing	**-**	**-**	**-**
Short term deposit	**798,856**	**-**	**798,856**
Accrued profit	**121,657**	**-**	**121,657**
Short-term investment	**25,151,747**	**-**	**25,151,747**
Taxation - net	**-**	**72,404,993**	**72,404,993**
Cash and bank balances	**61,155,923**	**-**	**61,155,923**
	324,832,076	**480,931,440**	**805,763,516**

FIRST PARAMOUNT MODARABA
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

	Financial liabilities	Non-financial liabilities	Total as per Statement of Financial Position
As at June 30, 2026			
Deferred income	**-**	**11,983,594**	**11,983,594**
Certificates of musharaka	**171,200,000**	**-**	**171,200,000**
Creditors, accrued and other liabilities	**30,809,140**	**8,466,362**	**39,275,502**
Accrued profit on certificates of musharaka	**2,373,319**	**-**	**2,373,319**
Certificate of musharaka - matured and payable	**2,800,000**	**-**	**2,800,000**
Unclaimed profit distributions	**18,014,401**	**-**	**18,014,401**
	225,196,860	**20,449,956**	**245,646,816**

	Financial assets	Non-financial assets	Total as per Statement of Financial Position
As at June 30, 2025			
Assets as per statement of financial position			
Fixed assets	-	23,281,703	23,281,703
Intangible assets	-	144,147	144,147
Long term investments	-	9,980	9,980
Murabaha financing	47,200,142	-	47,200,142
Musharaka financing	13,949,054	-	13,949,054
Loan to employees	369,503	-	369,503
Long-term deposits	7,700	-	7,700
Stock in trade	-	12,475,079	12,475,079
Trade debtors	262,671,367	-	262,671,367
Advances, prepayments and other receivables	20,004,637	14,336,078	34,340,715
Short-term murabaha financing	4,791,668	-	4,791,668
Short-term deposit	256,800	-	256,800
Accrued profit	70,332	-	70,332
Short-term investment	23,434,916	-	23,434,916
Taxation-net	-	68,067,855	68,067,855
Cash and bank balances	18,210,311	-	18,210,311
	390,966,430	118,314,842	509,281,272

	Financial liabilities	Non-financial liabilities	Total as per Statement of Financial Position
As at June 30, 2025			
Deferred income	-	8,730,348	8,730,348
Certificates of musharaka	173,375,000	-	173,375,000
Creditors, accrued and other liabilities	22,250,932	6,280,335	28,531,267
Accrued profit on certificates of musharaka	3,331,368	-	3,331,368
Certificate of musharaka - matured and payable	2,800,000	-	2,800,000
Unclaimed profit distributions	18,620,240	-	18,620,240
	220,377,540	15,010,683	235,388,223

FIRST PARAMOUNT MODARABA
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

41 SHARIAH DISCLOSURE UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

	Note	June 30, 2026		
		Conventional	Shariah Compliant	Total
Statement of financial position				
Long-term investment	7	-	9,980	9,980
Murabaha financing	8	-	23,071,414	23,071,414
Current portion of murabaha financing	14	-	49,549,877	49,549,877
Current portion of musharaka financing	14	-	13,949,054	13,949,054
Short term murabaha financing	13	-	-	-
Accrued profit	16	-	121,657	121,657
Advance against murabaha financing		-	17,500,000	17,500,000
Short term investment	17	-	25,151,747	25,151,747
Cash and bank balances	19	-	61,155,923	61,155,923
Certificates of musharaka	23	-	131,625,000	131,625,000
Current maturity of certificates of musharaka	23	-	39,575,000	39,575,000
Certificates of musharaka - matured and payable	25	-	2,800,000	2,800,000
Accrued profit on certificates of musharaka	26	-	2,373,319	2,373,319
Short term / long term financing		-	-	-
Mark up accrued		-	-	-
Statement of profit or loss				
Income from trading operations	28	-	55,780,569	55,780,569
Income from murabaha financing	22.1	-	16,298,460	16,298,460
Income from AML	39	-	9,445,074	9,445,074
Income from musharaka financing		-	-	-
Net gain on business combination	4.28	-	194,400,000	194,400,000
Dividend income	30	-	2,407,568	2,407,568
Profit on bank deposits	30	-	1,646,681	1,646,681
Other income - financial assets	30	-	2,061,831	2,061,831
Gain on disposal of property and equipment	30	-	-	-
Profit on certificates of musharaka	32	-	17,300,987	17,300,987
Exchange gain earned from actual currency		-	-	-
Exchange gain earned using conventional derivative financial instruments		-	-	-
Late payment surcharge		-	-	-
Profit earned or interest paid		-	-	-
Realised and unrealised gain / (loss)		-	-	-

FIRST PARAMOUNT MODARABA
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

	Note	June 30, 2025		
		Conventional	Shariah Compliant	Total
Statement of financial position				
Long term investment	7	-	9,980	9,980
Murabaha financing	8	-	19,403,574	19,403,574
Current portion of murabaha financing	14	-	27,796,568	27,796,568
Current portion of musharaka financing	14	-	13,949,054	13,949,054
Short term murabaha financing	13	-	4,791,668	4,791,668
Accrued profit	16	-	70,332	70,332
Advance against murabaha financing		-	-	-
Short term investment	17	-	23,434,916	23,434,916
Cash and bank balances	19	-	18,210,311	18,210,311
Certificates of musharaka	23	-	131,875,000	131,875,000
Current maturity of certificates of musharaka	23	-	41,500,000	41,500,000
Certificates of musharaka - matured and payable	25	-	2,800,000	2,800,000
Accrued profit on certificates of musharaka	26	-	3,331,368	3,331,368
Short term / long term financing		-	-	-
Mark up accrued		-	-	-
Statement of profit or loss				
Income from trading operations	28	-	81,790,354	81,790,354
Income from murabaha financing	22.1	-	13,232,119	13,232,119
Income from AML	39	-	-	-
Income from musharaka financing		-	2,291,391	2,291,391
Net gain on business combination	4.28	-	-	-
Dividend income	30	-	2,846,762	2,846,762
Profit on bank deposits	30	-	2,218,006	2,218,006
Other income - financial assets	30	-	1,010,000	1,010,000
Gain on disposal of property and equipment	30	-	1,544,342	1,544,342
Profit on certificates of musharaka	32	-	22,135,622	22,135,622
Exchange gain earned from actual currency		-	-	-
Exchange gain earned using conventional derivative financial instruments		-	-	-
Late payment surcharge		-	-	-
Profit earned or interest paid		-	-	-
Realised and unrealised gain / (loss)		-	-	-

41.1 Relationship with shariah compliant financial institutions, including banks, takaful operators and their windows, etc.

Name of institution	Nature of relationship
Meezan Bank Limited	Bank balance
Habib Metropolitan Bank Limited	Bank balance
Bank Islami Pakistan Limited	Bank balance
Al Baraka Bank (Pakistan) Limited	Bank balance
Faysal Bank Limited	Bank balance
Habib Bank Limited	Bank balance
Jubilee General Insurance Company Limited - Window Takaful Operations	Takaful

The Modaraba also has relationship with shariah compliant Asset Management Company (Pak-Qatar Asset Management Company Limited) in respect of investment in mutual fund amounting to Rs. 25.15 million (2025: Rs. 23.43 million).

42 PROVIDENT FUND RELATED DISCLOSURE

42.1 The following information is based on un-audited financial information of the Staff Provident Fund for the year ended June 30, 2026 and June 30, 2025.

	2026	2025
Size of the funds - Total assets	**15,530,025**	11,446,855
Cost of investments	**1,400,000**	1,400,000
Fair value of investments out of Provident Fund	**1,400,000**	1,400,000
Percentage of investments made	**9%**	12%

42.2 Details of fair value of investments:

Bank balances	**8,944,025**	7,403,176
Advances to employees	**5,186,000**	2,643,679
Investment in shariah compliant certificate of musharaka	**1,400,000**	1,400,000
	15,530,025	11,446,855

43 NUMBER OF EMPLOYEES

	2026	2025
	---------- Numbers ----------	
The number of employees during the year are as follows:		
Number of employees - permanent	**21**	17
Average number of employees - permanent	**19**	16
Number of employees - contractual	**3**	2
Average number of employees - contractual	**3**	2

44 NON-ADJUSTING EVENT AFTER THE REPORTING DATE

Subsequent to the year end, the Modaraba completed a rights issue of certificates of Rs. 68.94 million (refer note 23.1).

45 GENERAL

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

45.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these unconsolidated financial statements during the current year.

46 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements are approved and authorised for issue on 03 November 2026 by the Board of Directors of the Modaraba Management Company.

For Paramount Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

AN ISLAMIC FINANCIAL INSTITUTION
FIRST PARAMOUNT MODARABA
AMANAT • SHIRAKAT • BARKAT

Crowe

Crowe Hussain Chaudhury & Co.
Chartered Accountants
Level 4, 31-C,
Khayaban-e-Shamsheer,
Phase-V, D.H.A., Karachi, Pakistan.
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Independent Auditor's Report

To the Certificate holders of First Paramount Modaraba

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of First Paramount Modaraba and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at June 30, 2026, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 23.1 to the consolidated financial statements, which states that the Modaraba is non-compliant with the credit rating and minimum equity requirements as stipulated in Modaraba Regulations 2021. As fully disclosed in the aforesaid note, the extension period lapsed on August 14, 2025 and the Modaraba has obtained a further extension till February 15, 2027.

Key Audit Matters

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

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Following are the Key audit matters:

S. No	Key Audit Matter	How the matter was addressed in our audit
01	**Income from Murabaha financing**	
	The Group earns income from the murabaha financing which is one of its main sources of income (Refer note 22.1 to the consolidated financial statements). During the year, the Group has recognized income of Rs. 16.30 million. We identified income from the murabaha financing as a key audit matter as it is one of the key performance indicators of the Group among Islamic Financing and because of the potential risk that income from the murabaha financing transactions may not be accurately recorded, recognized in the appropriate period, and not properly disclosed in the consolidated financial statements.	Our audit procedures in this area, amongst others, included the following: - Obtained an understanding, including the design and implementation of internal controls over recording and processing of murabaha income. - Assessed the appropriateness of the Group's accounting policy for recording of income and in line with the requirements of applicable law, accounting and reporting standards. - Matched customer contracts with the income and repayment schedule, performed recalculation on sample basis to ensure that income is appropriately recorded and also evaluated that these contracts were appropriately classified and recorded in the appropriate accounting period. - On sample basis, traced the installments received from the underlying records issued to contract holders and applied substantive analytical procedures to determine any variations. - Evaluated the income accrued but not received is appropriately classified as suspended income as per applicable modaraba regulations. - Recalculated the unearned portion of income and checked the appropriate amount has been recorded as unearned income in liabilities. - We also evaluated the adequacy of the overall disclosures in the consolidated financial statements in respect of income from murabaha financing in accordance with the requirements of applicable financial reporting framework.

GHC

02	**Business Combination**	
	(Refer note 5.28 and 5.29 to the consolidated financial statements) With effect from April 1, 2026, the Group acquired a 60% interest in the "FPM AML/CFT Solutions" business for a consideration of Rs. 183.57 million, settled against its Modarib profit share receivable. The Group has accounted for the acquisition as a business combination under IFRS 3 on a provisional basis. Based on a purchase price allocation by an independent valuer, it has recognized identifiable intangible assets of Rs. 326.67 million, a Musharaka partner's interest of Rs. 129.60 million and a net gain on business combination of Rs. 194.40 million. We considered this a key audit matter because of the significance of the amounts involved and the significant judgements and estimates required in valuing the acquired business and its intangible assets.	Our audit procedures in this area, amongst others, included the following: - Reviewed the underlying agreements and evaluated management's assessment of the acquisition date, the transfer of control and the application of IFRS 3. - Assessed the competence and objectivity of the independent valuer and, with the involvement of our expert, evaluated the valuation methodologies, key assumptions and discount rates. - Compared the projections with the historical and post-acquisition results of the business. - Reconciled the acquisition-date balances to the accounting records and checked the computation of the net gain on business combination and the Musharaka partner's interest. Evaluated management's reassessment of whether all assets acquired and liabilities assumed had been correctly identified and measured, as required by IFRS 3. - We also evaluated the adequacy of the overall disclosures in the consolidated financial statements.

Information other than the Consolidated Financial Statements and Auditor's Report Thereon

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

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

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

Crowe

Responsibilities of Management and Board of Directors of the Group Management Company for the Consolidated Financial Statements

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

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

The Board of Directors of the Group Management Company is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Group Management Company.

GHC

Crowe

- Conclude on the appropriateness of the management of the Group Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Dated: November 05, 2026

UDIN: AR2026102071RpJ7E0VS

FIRST PARAMOUNT MODARABA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026
(Expressed in Rupees)

	Note	2026	2025
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	**19,679,522**	23,281,703
Intangible assets	7	**321,926,601**	144,147
Murabaha financing	8	**23,071,414**	19,403,574
Musharaka financing	9	**-**	-
Loan to employees	10	**409,503**	231,503
Deferred tax asset	34.4	**22,545,965**	-
Long term deposits		**7,800**	7,700
		387,640,805	43,068,627
CURRENT ASSETS			
Trade debtors	11	**125,999,827**	262,671,367
Stock in trade		**30,072,599**	12,475,079
Advances, prepayments and other receivables	12	**19,036,299**	34,956,461
Short term murabaha financing	13	**-**	4,791,668
Current maturity of non-current assets	14	**63,654,931**	41,883,622
Short term deposit	15	**798,856**	256,800
Accrued profit	16	**121,657**	70,332
Advance against murabaha financing		**17,500,000**	-
Short term investment	17	**25,151,747**	23,434,916
Taxation - net	18	**72,404,993**	68,067,855
Cash and bank balances	19	**62,363,747**	18,994,547
		417,104,656	467,602,647
TOTAL ASSETS		**804,745,461**	510,671,274

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

For Paramount Investments Limited
(Group Management Company)

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

FIRST PARAMOUNT MODARABA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026
(Expressed in Rupees)

	Note	2026	2025
EQUITY AND LIABILITIES			
CERTIFICATE CAPITAL AND RESERVES			
Authorized certificate capital			
40,000,000 (2025: 40,000,000) certificates of Rupees 10/- each		**400,000,000**	400,000,000
Issued, subscribed and paid-up certificate capital	20	**137,884,193**	137,884,193
Capital reserves	21	**270,182,726**	113,095,758
Revenue reserves		**22,392,468**	22,392,468
Total equity attributable to certificate holders		**430,459,387**	273,372,419
Non-controlling interest		**(4,893)**	(558)
Musharaka partner interest	5.29	**127,205,560**	-
		557,660,054	273,371,861
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income	22	**5,411,091**	3,362,988
Certificates of musharaka	23	**131,625,000**	131,875,000
		137,036,091	135,237,988
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	24	**40,714,093**	30,442,457
Current maturity of deferred income	22	**6,572,503**	5,367,360
Current maturity of certificates of musharaka	23	**39,575,000**	41,500,000
Certificate of musharaka - matured and payable	25	**2,800,000**	2,800,000
Accrued profit on certificates of musharaka	26	**2,373,319**	3,331,368
Unclaimed profit distributions		**18,014,401**	18,620,240
		110,049,316	102,061,425
TOTAL LIABILITIES		**247,085,407**	237,299,413
CONTINGENCIES AND COMMITMENTS	27		
TOTAL EQUITY AND LIABILITIES		**804,745,461**	510,671,274

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

For Paramount Investments Limited
(Group Management Company)

CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE OFFICER** **DIRECTOR** **DIRECTOR**

FIRST PARAMOUNT MODARABA
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

	Note	2026	2025
Income from trading operations	28	**55,780,569**	81,790,354
Income from murabaha financing	22.1	**16,298,460**	13,232,119
Income from AML		**10,675,127**	-
Income from musharaka financing		**-**	2,291,391
		82,754,156	97,313,864
Administrative and operating expenses	29	**(68,619,252)**	(46,372,156)
Reversal / (provision) for doubtful recoveries - net		**1,195,973**	(511,514)
		15,330,877	50,430,194
Net gain on business combination	5.29	**194,400,000**	-
Other income	30	**6,131,476**	7,620,843
Other expenses	31	**(15,907,415)**	-
Financial charges	32	**(17,327,146)**	(22,146,001)
		182,627,792	35,905,036
Modaraba Management Company's remuneration	33	**(18,456,325)**	(3,625,823)
Provision for Sindh workers' welfare fund - expense		**(3,322,139)**	(652,648)
Profit before levy and taxation		**160,849,328**	31,626,565
Levy	34	**(27,660,343)**	(711,691)
Profit before taxation		**133,188,985**	30,914,874
Taxation	34	**21,499,208**	(7,369,863)
Profit after taxation		**154,688,193**	23,545,011
Other comprehensive income		**-**	-
Total comprehensive income		**154,688,193**	23,545,011
Loss attributable to Musharaka partner		**(2,394,440)**	-
Profit attributable to certificate holders of the Modaraba		**157,086,968**	23,545,253
Loss attributable to non-controlling interest		**(4,335)**	(242)
		154,688,193	23,545,011
Earnings per certificate - basic and diluted	35	**11.39**	1.71

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

For Paramount Investments Limited
(Group Management Company)

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

FIRST PARAMOUNT MODARABA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

	Note	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levy and taxation		**160,849,328**	31,626,565
Adjustments for non-cash items:			
Depreciation	6	**4,617,620**	4,219,920
Amortization		**5,487,748**	61,777
Other expenses		**15,907,415**	-
Gain on disposal of property and equipment		**-**	(1,544,342)
Provision for Sindh Workers' Welfare Fund		**3,322,139**	652,648
Financial charges	32	**17,327,146**	22,146,001
Provision for doubtful recoveries - murabaha financing		**(256,661)**	(480,680)
Provision for doubtful recoveries - trade debt		**(389,311)**	-
Provision for doubtful recoveries - short term deposits		**(550,000)**	1,382,194
Provision for doubtful recoveries - advances		**-**	(390,000)
Gain on business combination		**(194,400,000)**	-
		(148,933,904)	26,047,518
		11,915,424	57,674,083
Changes in working capital			
Murabaha financing - net		**(25,164,488)**	28,742,541
Short term murabaha financing - net		**4,791,668**	(4,791,668)
Musharaka financing - net		**-**	12,000,000
Stock in trade		**(17,597,520)**	11,627,584
Trade debtors		**140,207,917**	(87,346,384)
Advances, prepayments and other receivables		**1,659,803**	(11,439,806)
Short term deposit		**7,944**	225,000
Advance against murabaha financing		**(17,500,000)**	-
Short term investment		**(1,716,831)**	(2,126,247)
Accrued profit		**(51,325)**	1,462,244
Long-term deposits		**(100)**	-
Creditors, accrued and other liabilities		**935,710**	14,350,292
Deferred income		**3,253,246**	(6,371,534)
Cash generated from operations		**100,741,448**	14,006,105

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

For Paramount Investments Limited
(Group Management Company)

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

FIRST PARAMOUNT MODARABA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

	Note	2026	2025
Cash generated from operations - continued		**100,741,448**	14,006,105
Financial charges paid		**(26,159)**	(10,379)
Loans to employees - net		**(196,000)**	226,000
Levy and income tax paid		**(35,222,264)**	(12,042,972)
Net cash generated from operating activities		**65,297,025**	2,178,754
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	6.1	**(805,875)**	(15,027,361)
Purchase of intangibles		**(600,000)**	-
Sale proceed on disposals of fixed assets		**-**	2,172,500
Cash acquired on acquisition of business	5.29	**517,925**	-
Net cash used in investing activities		**(887,950)**	(12,854,861)
CASH FLOWS FROM FINANCING ACTIVITIES			
Certificates of musharaka - issuance	23	**14,350,000**	35,700,000
Certificates of musharaka - redemption	23	**(16,525,000)**	(30,725,000)
Profit paid to certificates of musharaka holders		**(18,259,036)**	(22,318,534)
Profit distributed to certificate holders		**(605,839)**	(109,445)
Net cash used in financing activities		**(21,039,875)**	(17,452,979)
Net increase / (decrease) in cash and cash equivalents		**43,369,200**	(28,129,086)
Cash and cash equivalents at beginning of the year		**18,994,547**	47,123,633
Cash and cash equivalents at end of the year	19	**62,363,747**	18,994,547

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

For Paramount Investments Limited
(Group Management Company)

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

FIRST PARAMOUNT MODARABA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

	Issued, subscribed and paid up certificate capital	Reserves				Total equity attributable to certificate holders	Non-controlling interest	Musharaka partner interest	Total
		Capital			Revenue				
		Merger reserve	*Statutory reserve	Total	Unappropriated profit				
Balance as at June 30, 2024	137,884,193	1,935,160	87,615,345	89,550,505	22,392,468	249,827,166	(316)	-	249,826,850
Profit after taxation	-	-	-	-	23,545,253	23,545,253	(242)	-	23,545,011
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	23,545,253	23,545,253	(242)		23,545,011
Transferred to statutory reserve @ 100%	-	-	23,545,253	23,545,253	(23,545,253)	-	-	-	-
Balance as at June 30, 2025	137,884,193	1,935,160	111,160,598	113,095,758	22,392,468	273,372,419	(558)	-	273,371,861
Musharaka partner interest	-	-	-	-	-	-	-	129,600,000	129,600,000
Profit / (loss) after taxation	-	-	-	-	157,086,968	157,086,968	(4,335)	-	157,082,633
Loss attributable to Musharaka partner	-	-	-	-	-	-	-	(2,394,440)	(2,394,440)
Other comprehensive income	-	-	-	-	-	-	-		-
Total comprehensive income for the year	-	-	-	-	157,086,968	157,086,968	(4,335)	(2,394,440)	154,688,193
Transferred to statutory reserve @ 100%	-	-	157,086,968	157,086,968	(157,086,968)	-	-	-	-
Balance as at June 30, 2026	137,884,193	1,935,160	268,247,566	270,182,726	22,392,468	430,459,387	(4,893)	127,205,560	557,660,054

*The statutory reserve represents profit set aside as required under the Modaraba Regulations, 2021 for Modarabas as issued by the Securities and Exchange Commission of Pakistan (note 21.1).

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

For Paramount Investments Limited
(Group Management Company)

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

FIRST PARAMOUNT MODARABA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026
(Expressed in Rupees)

1 THE GROUP AND ITS OPERATIONS

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

1.1 First Paramount Modaraba

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

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

The Modaraba is engaged in deployment of funds on murabaha, modaraba and musharaka arrangements and its in-house ventures are:

(a) Electrical maintenance and troubleshooting services under the name of "FPM Solutions";

(b) Chemical business under the name of "FPM Petro Services";

(c) Anti-money laundering and countering the financing of terrorism solutions for the corporate and financial sector under the name of "FPM AML/CFT Solutions".

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

1.2 Paramount Compliance (Private) Limited

Paramount Compliance (Private) Limited was incorporated in Pakistan on August 24, 2023 as a private limited company under the Companies Act, 2017. The registered office is situated at Suite No. 107-108, First Floor, P.E.C.H.S. Community Office Complex, Block 2, Shahrah-e-Quaideen, Karachi, in the province of Sindh. The principal activity of Paramount Compliance (Private) Limited is provision of Anti Money Laundering screening services and solutions. Paramount Compliance (Private) Limited is yet to commence its commercial operations. The Modaraba holds 99.8% (2025: 99.8%) of its share capital and the non-controlling interest in Paramount Compliance (Private) Limited is 0.2% (2025: 0.2%).

1.3 Complytech Global Limited

Complytech Global Limited is a wholly owned subsidiary of Paramount Compliance (Private) Limited and was incorporated in the United Kingdom on January 15, 2024 as a private limited company under the Companies Act, 2006. The registered office is situated at Unit 19, 1-13 Adler Street, London, England, E1 1EG. The principal activity of Complytech Global Limited is provision of AML / CFT related screening services and solutions. The non-controlling interest in Complytech Global Limited is 0.2% (2025: 0.2%).

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- The requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulation 2021 and directives issued by the Securities and Exchange Commission of Pakistan (SECP);

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act 2017; and

- Provisions of, directives and notification issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Ordinance, the Rules, the Regulations, the Act, and provisions of, directives and notifications issued by the Securities and Exchange Commission of Pakistan (SECP) differ from IFRS and IFAS, the requirements of the Ordinance, the Rules, the Regulations, the Act and provisions of, directives and notifications issued by the Securities and Exchange Commission of Pakistan (SECP) have been followed.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Significant accounting estimates, judgments and assumptions

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

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

- Useful life of depreciable assets (refer note 5.1 & 6)

- Provision for taxation (refer note 5.18)

- Provision and contingencies (refer note 5.21 & 5.24)

- Fair value of net assets acquired through business combination (refer note 5.28)

3 CHANGES IN ACCOUNTING STANDARDS AND INTERPRETATIONS

i) New Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following standards, interpretations and amendments, are effective for the year ended June 30, 2026. These standards, interpretations and amendments are either irrelevant to the Group's operations or are not expected to significantly impact the Group's financial statements other than certain additional disclosures.

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability – Effective from the accounting periods beginning on or after January 01, 2025.

ii) New accounting standards, amendments and IFRS interpretations that are not 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 Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures;

		Effective from the accounting period beginning on or after
IFRS 10, IFRS 9, IFRS 1, IAS 7, IFRS 7	Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
IFRS 7, IFRS 9	Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 7, IFRS 9	Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures - Amendments to IAS 28	January 01, 2027
IAS 21	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	January 01, 2027

		Effective from the accounting period beginning on or after
IFRS 19	IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027
IFRS 18	IFRS 18 – Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS S1	General requirements for disclosure of Sustainability - related financial information	July 01, 2027
IFRS S2	Climate related disclosures	July 01, 2027

Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Group, by the Securities and Exchange Commission of Pakistan (SECP) as at the reporting date:

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by SECP

4 BASIS OF CONSOLIDATION

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

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

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

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

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

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

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

5 MATERIAL ACCOUNTING POLICY INFORMATION

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

5.1 Property and equipment

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

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

Depreciation is charged to statement of profit or loss and other comprehensive income applying the reducing balance method at the rates mentioned in note (6). Depreciation on additions and disposals during the year is charged from the date asset is available for use while no depreciation is charged from the date asset is disposed. When parts of an item of asset have different useful lives, they are accounted for as separate item in property and equipment. The residual values and useful lives are reviewed at each reporting date and adjusted, if required.

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

5.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are initially recognized at their fair value at the acquisition date, which is regarded as their cost.

Computer software is amortized using the reducing balance method, and other intangible assets (Technology AML-CHECK platform, customer relationships and brand) are amortized on a straight-line basis over their estimated useful lives, at the rates mentioned in note 7. Amortization on additions is charged from the date the asset is available for use till the asset is disposed off.

The amortization method, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

5.3 Loans to employees

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

5.4 Murabaha financing

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

In accordance with the Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan (SECP) and IFAS 1 (Murabaha), profit on Murabaha financing classified as non-performing is suspended. The suspended profit is not recognized in the statement of profit or loss and other comprehensive income and is instead credited to a suspense account. Such suspended income is subsequently recognized in the statement of profit or loss and other comprehensive income only on a cash receipt basis.

5.5 Modaraba financing

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

5.6 Musharaka financing

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

a) Diminishing musharaka

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

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

5.7 Financial instruments

Investments and other financial assets

a) Classification

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

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

- those to be measured at amortized cost

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

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

b) Measurement

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

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

Debt instruments

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

Amortized cost

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss

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

Equity instruments

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss

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

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

Financial liabilities

Classification and measurement

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

i) Impairment of financial assets

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

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

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

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

ii) De-recognition

a) Financial assets

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

b) Financial liabilities

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

iii) Offsetting of financial instruments

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

5.8 Investment in subsidiary

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

5.9 Cash and cash equivalents

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

5.10 Stock in trade

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

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

5.11 Trade debtors and other receivables

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

5.12 Joint Operations (Musharaka arrangements)

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

5.13 Statutory reserve

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

5.14 Certificates of musharaka

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

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

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

5.15 Creditors and other liabilities

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

5.16 Impairment of non-financial assets

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

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

5.17 Revenue recognition

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

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

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

- Murabaha profit:

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

- Musharaka management fee is recognized on accrual basis.

- Profit on musharaka financing is recognized on declaration of profit by musharaka partners on accrual basis.

- Realized capital gains / (losses) arising on sale of investments are included in the statement of profit or loss and other comprehensive income on the date at which the transaction takes place.

- Dividend income is recognized when the right to receive the dividend is established.

- Income from AML/CFT solutions

Income from AML/CFT solutions comprises screening service fees, which are recognized over time as the service is rendered to the customer, and implementation charges, which are recognized at the point in time when implementation is completed. Screening services are provided either through hosted access to the Group's system or through installation at the customer's premises.

- For customers billed on a fixed rate, the agreed fee is recognized on a straight-line basis over the period of service.

- For customers billed on a slab rate, revenue is recognized on the basis of the actual screening usage during the period.

Amounts billed in advance of the service are recorded as unearned income and recognized as revenue as the service is rendered.

5.18 Taxation and levy

Current

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

Deferred

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

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

Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37 in accordance with IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by ICAP.

5.19 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Modaraba Management Company's Chief Executive Officer and Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. The Group's reportable segments are Financing, FPM Petro Services, FPM AML and Others, as disclosed in note 39. The musharaka arrangement with the joint venture partner in respect of the AML business is also monitored separately.

Segment results, assets and liabilities 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. All assets and liabilities are allocated to the segments and inter-segment balances are eliminated.

5.20 Employee benefits

a) Defined contribution plan

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

b) Compensated absences

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

5.21 Provisions

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

5.22 Profit distributions and appropriations

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

5.23 Certificate capital and earning per certificate

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

5.24 Contingencies:

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

5.25 Related party transactions

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

5.26 Deposits, advances, prepayments and other receivables

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

5.27 Foreign currency translation

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

5.28 Business Combination

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 'Business Combinations'. The consideration transferred for an acquisition is measured at fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group at the acquisition date, including the settlement of any pre-existing relationship with the acquiree. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, and intangible assets acquired are recognized separately at their fair values at that date. On an acquisition-by-acquisition basis, the interest of the other Musharaka partner in the acquired business is measured either at fair value or at its proportionate share of the identifiable net assets of the acquired business.

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount of the Musharaka partner's interest over the fair value of the identifiable net assets acquired. Where this amount is lower than the fair value of the identifiable net assets acquired, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts recognized at the acquisition date. If the reassessment still results in an excess, it is recognized in the consolidated statement of profit or loss and other comprehensive income as net gain on business combination at the acquisition date.

5.29 Acquisition of FPM AML/CFT Solutions

Up to March 31, 2026, the Group managed FPM AML/CFT Solutions (the AML business) as “Modarib” under a Modaraba arrangement with an individual, who had invested 100% of the capital as “Rab-ul-Maal”. As Modarib, the Group’s rights were limited to managing the project’s operations and receiving its share of profit as a Modarib fee. The Rab-ul-Maal was the owner of the project and its net assets and had total control over the business. The Group held no ownership interest in, or control over, the project.

The AML business provides anti-money laundering and countering the financing of terrorism (AML/CFT) screening solutions to entities in the corporate and financial sector. The Modaraba arrangement was dissolved on a constructive liquidation basis with effect from March 31, 2026, at an agreed value of the AML business of Rs. 324,000,000. This resulted in an unrealized profit of Rs. 305,950,000 after adjustment of the Rab-ul-Maal’s capital of Rs. 18,050,000. In accordance with the Modaraba agreement, the Group’s 60% share of this profit as Modarib, amounting to Rs. 183,570,000, became receivable from the Rab-ul-Maal and has been recognized as income in these consolidated financial statements.

With effect from April 1, 2026 (the acquisition date), the Group acquired a 60% interest in the AML business under an Asset Acquisition Agreement for a consideration of Rs. 183,570,000. The consideration was settled in full by set-off against the aforesaid Modarib profit share receivable, and no cash consideration was paid. On the same date, the parties entered into a Musharaka arrangement under which the Group is the Managing Partner (60%) and the individual is the other partner (40%). As the Managing Partner, the Group directs the relevant activities of the AML business and has obtained control over it.

The acquisition has been accounted for as a business combination in accordance with IFRS 3. A purchase price allocation (PPA) exercise has been performed by management, assisted by an independent valuer, as at March 31, 2026. The primary element of the valuation exercise was the fair value of the identifiable intangible assets of Rs. 326,670,202, which comprised of Technology AML-CHECK platform, customer relationship and brand.

Details of the purchase consideration, the net identifiable assets acquired and the gain on purchase of business are as follows:

FPM AML/CFT SOLUTIONS:

	Fair value recognized on acquisition date
Non-current assets	
Fixed assets	209,564
Intangible assets	
- Technology AML-CHECK platform	273,970,295
- Customer relationships	46,790,750
- Brand FPM AML-CHECK	5,909,157
	326,879,766
Current assets	
Advances, prepayments and other receivables	1,647,056
Income receivables	3,147,066
Cash and bank balances	517,925
	5,312,047
Total Assets	**332,191,813**
Current liabilities	
Creditors, accrued and other liabilities	4,815,127
Unearned income	1,198,660
Tax due to Government	2,178,026
Total Current Liabilities	**8,191,813**
Net identifiable assets acquired (100%)	**324,000,000**
Less: Musharaka partner's interest (40%)	(129,600,000)
Group's share of net identifiable assets (60%)	194,400,000
Less: consideration settled off against receivable	(183,570,000)
Gain on business combination	**10,830,000**
Modarib share of profit on dissolution of Modaraba	**183,570,000**
Net gain on business combination	**194,400,000**

(i) Net gain on business combination

The dissolution of the Modaraba arrangement and the acquisition of the 60% interest in the AML business were negotiated together, executed on the same date and are interdependent: the Group's share of profit as Modarib was settled only through the allocation of the equity interest. Management therefore considers them a single transaction and has presented the resulting gain on a combined basis.

Under this transaction, the Group gave up its Modarib share of profit of Rs. 183,570,000 on dissolution of the Modaraba arrangement as consideration for a 60% interest in the identifiable net assets of the AML business, with a fair value of Rs. 194,400,000. The excess of Rs. 10,830,000 represents the portion of profit surrendered by the Rab-ul-Maal from his own share under the Modaraba Dissolution Agreement. Before recognizing the gain, the Group reassessed whether it had correctly identified all of the assets acquired and liabilities assumed, and reviewed the measurement of these amounts.

(ii) Musharaka partner's interest

The Musharaka partner's interest of Rs. 129,600,000 has been measured at the partner's proportionate share (40%) of the identifiable net assets of the AML business at the acquisition date.

(iii) Provisional amounts

The fair values of the assets acquired and liabilities assumed have been determined provisionally. As permitted by IFRS 3, the Group may adjust these amounts during the measurement period, which ends on March 31, 2027.

	Note	2026	2025
6 PROPERTY AND EQUIPMENT			
Owned assets	6.1	**19,679,522**	23,281,703

6.1 Owned assets

	June 30, 2026					
	Generators - own use	Computers	Office and other equipment	Furniture and fixtures	Vehicles	Total
Year ended June 30, 2026						
At beginning of the year	59,538	1,349,762	1,832,638	2,247,808	17,791,957	23,281,703
Disposals at						
- Cost	-	-	-	-	-	-
- Accumulated depreciation	-	-	-	-	-	-
	-	-	-	-	-	-
Additions - at cost	-	657,375	-	100,500	48,000	805,875
Acquisition through business combination	-	209,564	-	-	-	209,564
Depreciation charge for the year	(5,953)	(566,395)	(187,522)	(226,201)	(3,631,549)	(4,617,620)
Carrying amount	53,585	1,650,306	1,645,116	2,122,107	14,208,408	19,679,522
As at June 30, 2026						
Cost	331,718	4,426,416	4,324,915	5,214,124	24,391,464	38,688,637
Accumulated depreciation	(278,133)	(2,776,110)	(2,679,799)	(3,092,017)	(10,183,056)	(19,009,115)
Carrying amount	53,585	1,650,306	1,645,116	2,122,107	14,208,408	19,679,522
Rate of depreciation (%)	10	30	10-20	10	20	

6.1 Owned assets

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

7 INTANGIBLE ASSETS

	Computer software	Technology AML - CHECK platform	Customer relationships	Brand FPM AML - CHECK	Total
Year ended June 30, 2026					
Opening net book value	144,147	-	-	-	144,147
Additions during the year	-	600,000	-	-	600,000
Acquired through business combination (note 5.29)	-	273,970,295	46,790,750	5,909,157	326,670,202
Amortization charge for the year (note 7.1)	(43,245)	(4,566,172)	(779,846)	(98,485)	(5,487,748)
Closing net book value	100,902	270,004,123	46,010,904	5,810,672	321,926,601
As at June 30, 2026					
Cost	2,976,738	274,570,295	46,790,750	5,909,157	330,246,940
Accumulated amortization	(2,875,836)	(4,566,172)	(779,846)	(98,485)	(8,320,339)
Net book value	100,902	270,004,123	46,010,904	5,810,672	321,926,601
Year ended June 30, 2025					
Opening net book value	205,924	-	-	-	205,924
Amortization charge for the year (note 7.1)	(61,777)	-	-	-	(61,777)
Closing net book value	144,147	-	-	-	144,147
As at June 30, 2025					
Cost	2,976,738	-	-	-	2,976,738
Accumulated amortization	(2,832,591)	-	-	-	(2,832,591)
Net book value	144,147	-	-	-	144,147
Annual rate of amortization (%)	30%	6.67%	6.67%	6.67%	

7.1 Amortization charge for the year has been allocated to administrative and operating expenses (note 29).

		Note	2026	2025
8	**MURABAHA FINANCING**			
	Secured:			
	Considered good		**73,291,673**	48,346,558
	Considered doubtful		**-**	256,661
	Suspended income	8.7	**(670,382)**	(1,146,416)
			72,621,291	47,456,803
	Less: provision for doubtful recoveries	8.4	**-**	(256,661)
			72,621,291	47,200,142
	Less: current portion		**(49,549,877)**	(27,796,568)
	Non-current portion		**23,071,414**	19,403,574

8.1 The Group has sold goods under Murabaha arrangements whereby payment is deferred along with specified profit margin. Murabaha sale is receivable in installments. These arrangements are secured by way of hypothecation, mortgage of properties, charge on assets and personal guarantees. The combined forced sales value (FSV) of the underlying assets as security amounts to Rs. 514.15 million (2025: Rs. 216.913 million) in aggregate.

8.2 These facilities have various maturity dates up to August 31, 2029. Effective profit rate on these arrangements ranges from 10% to 19% (2025: 10.5% to 15%).

8.3 As explained in note 5.7, the Group recognises the provision for doubtful recoveries at the higher of the expected credit loss (ECL) under IFRS 9 and the provision required by the prudential requirements of the Modarabas Regulations, 2021 (the Regulations). Under the Regulations, provisions are made on the outstanding exposure, net of the allowable forced sale value (FSV) of collateral, depending on how long instalments have been overdue. As at June 30, 2026, the ECL impact under IFRS 9 is not materially different from the provision required under the Regulations. Accordingly, no additional provision has been recognised.

		2026	2025
8.4	**Movement in provision for doubtful recoveries**		
	Opening balance	**256,661**	2,115,568
	Reversal made during the year	**(256,661)**	(480,680)
	Write off during the year	**-**	(1,378,227)
		(256,661)	(1,858,907)
	Closing balance	**-**	256,661

8.5 Contractual installments receivable on Murabaha financing facilities:

	Principal	Profit	Total
2026			
Overdue	**2,830,637**	**862,297**	**3,692,934**
Due within one year	**39,590,347**	**6,266,596**	**45,856,943**
Due after one year but within five years	**17,660,323**	**5,411,091**	**23,071,414**
Due after five years	**-**	**-**	**-**
	60,081,307	**12,539,984**	**72,621,291**
	Principal	**Profit**	**Total**
2025			
Overdue	256,661	-	256,661
Due within one year	22,627,784	5,168,784	27,796,568
Due after one year but within five years	16,040,586	3,362,988	19,403,574
Due after five years	-	-	-
	38,925,031	8,531,772	47,456,803

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

	Note	2026	2025
8.7 Suspended income			
Opening balance		**1,146,416**	1,255,341
Reversal of suspended income	22.1	**(972,276)**	(500,394)
Transferred to suspense income	22.1	**496,242**	967,255
Write off during the year		**-**	(575,786)
Closing balance		**670,382**	1,146,416

9 MUSHARAKA FINANCING - SECURED

Musharaka agreements for:			
Considered doubtful:			
Books printing - II	9.1	**13,949,054**	13,949,054
Less: provision for doubtful recoveries	9.2	**-**	-
		13,949,054	13,949,054
Less: current portion of musharaka financing		**(13,949,054)**	(13,949,054)
		-	-

9.1 In prior years, the Group entered into a Musharaka arrangement of Rs. 20 million with M/s Tiflee Education (Private) Limited (the Musharaka partner) for printing 272,766 books. Profit on the investment is shared between the Group and the Musharaka partner in the ratio of 64.09:35.91 (2025: 64.09:35.91). The financing is secured by a mortgage of immovable property. The arrangement was completed in prior years; however, the Musharaka partner has not repaid the principal and the Group's share of profit. The Group has therefore filed Banking Suit No. 32 of 2026 before Banking Court No. I, Karachi for recovery, which is pending adjudication as at the reporting date (refer note 27(a)(vii)). No new Musharaka financing was entered into during the year.

9.2 The financing is secured by a mortgage of immovable property having a forced sale value (FSV) of Rs. 64 million (2025: Rs. 64 million) as per the valuation report dated September 22, 2023. No provision has been recognized, as the outstanding balance is fully covered by the FSV benefit allowed under the prudential requirements of the Modarabas Regulations, 2021. As explained in note 5.7, the Group also assesses the expected credit loss (ECL) under IFRS 9, and the impairment impact under the ECL model is not materially different from the provisioning requirements of the Regulations.

		2026	2025
9.3	**Contractual installments receivable on Musharaka financing facilities:**		
	Due within one year	**13,949,054**	13,949,054
	Due after one year	**-**	-
		13,949,054	13,949,054
10	**LOAN TO EMPLOYEES**		
	Secured:		
	Loan to employees	**565,503**	369,503
	Less: Current portion of loan to employees	**(156,000)**	(138,000)
		409,503	231,503

10.1 This represent profit free personal loans provided to employees of the Group in accordance with the Group's policy. The loans are recoverable in monthly instalments through deduction from salaries and are secured against the employees' provident fund balances. This include a loan to an executive amounting to Rs. 231,503 (2025: Rs. 291,503). The maximum aggregate amount outstanding from executives at the end of any month during the year was Rs. 286,503 (2025: Rs. 343,503).

		Note	2026	2025
11	**TRADE DEBTORS**			
	Unsecured:			
	Trade debtors		**125,999,827**	263,141,192
	Less: allowances for expected credit loss		**-**	(469,825)
		11.1	**125,999,827**	262,671,367
	Movement in allowances for expected credit loss			
	Balance as at July 1,		**469,825**	469,825
	Bad debts written off during the year		**(80,514)**	-
	Reversal of allowance for expected credit loss		**(389,311)**	-
	Balance as at June 30,		**-**	469,825
11.1	**Ageing analysis of trade debtors are as follows:**			
	Not yet due		**58,138,362**	237,289,640
	Upto 30 days		**46,135,609**	21,129,078
	31 to 90 days		**10,397,856**	2,396,903
	91 days to 180 days		**-**	-
	More than 180 days		**11,328,000**	2,325,571
			125,999,827	263,141,192

	Note	2026	2025
12 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advance against purchase of stock		**1,680,216**	2,112,199
Advance against expenses		**2,579,330**	4,921,775
Short-term prepayments		**2,842,122**	686,534
Sales tax receivable		**7,204,442**	8,087,851
Due from AML project	12.1	**-**	15,637,114
Other receivables	12.2	**4,730,189**	3,510,988
		19,036,299	34,956,461

12.1 Up to March 31, 2026, the Group managed the business segment "FPM AML/CFT Solutions", which serves the corporate and financial sector, as "Modarib" under a Modaraba arrangement with an individual. The individual had invested 100% of the capital as "Rab-ul-Maal". Net profit was shared between the Modarib and the Rab-ul-Maal in the ratio of 60:40, and the Group could temporarily advance up to Rs. 16 million to the project. The balance represented operational expenses borne by the Group on behalf of the project.

As Modarib, the Group's rights were limited to managing the project's operations and receiving its share of profit. The Rab-ul-Maal was the owner of the project and its net assets. The Group held no ownership interest in, or control over, the project.

The Modaraba arrangement was dissolved on a constructive liquidation basis with effect from March 31, 2026. With effect from April 1, 2026, the Group acquired a 60% ownership interest in the business. The parties then entered into a Musharaka arrangement, with the Group as Managing Partner (60%) and the other Partner (40%). From that date the business is accounted for as a business combination (note 5.29). The balance due from the project is written off in the statement of profit or loss and other comprehensive income.

The movement in the balance due from the AML project up to the date of acquisition is as under:

	2026	2025
Opening balance	**15,637,114**	14,754,723
Add: payments made during the year	**270,301**	18,387,571
Less: balance written off	**(15,907,415)**	-
Less: recovered from the project	**-**	(17,505,180)
Closing balance	**-**	15,637,114

The AML project has consistently incurred losses since its inception. In adherence to the Islamic principle of Modaraba financing, these losses shall be borne by the Rab-ul-Maal. Consequently, no loss had been recorded in the Group's books in 2026 (2025: Nil).

12.2 This includes Rs. 1.2 million deducted directly from the bank account of the Group on the instruction of the Federal Board of Revenue (FBR) vide letter no. CIR/Zone-1/CRTO/KHI/2016/2544 dated December 15, 2016 on account of non deduction of withholding tax. (refer Note 27(a)(viii)).

	Note	2026	2025
13 SHORT TERM MURABAHA FINANCING - SECURED			
Short term murabaha financing - considered good	13.1	**-**	**4,791,668**
Short term murabaha financing - considered doubtful		**-**	**-**
		-	**4,791,668**
Less: Provision for doubtful recoveries		**-**	**-**
		-	**4,791,668**

13.1 Murabaha sale price is receivable in installments. Effective profit rate on this arrangement is 15% (2025: 15%) per annum receivable on agreed terms. This financing are secured by way of mortgage of properties. The forced sales value (FSV) of the underlying assets as security as at June 30, 2026 amounts to Nil (2025: Rs 219.96 million) in aggregate. No new short term murabaha financing provided during the year.

	Note	2026	2025
14 CURRENT PORTION OF NON-CURRENT ASSETS			
Current portion of murabaha financing	8	**49,549,877**	27,796,568
Current portion of musharaka financing	9	**13,949,054**	13,949,054
Current portion of loan to employees	10	**156,000**	138,000
		63,654,931	41,883,622
15 SHORT TERM DEPOSIT			
Deposits		**2,731,050**	2,738,994
Less: allowance for expected credit loss	15.1	**(1,932,194)**	(2,482,194)
		798,856	256,800
15.1 Movement in allowance for expected credit loss			
Balance as at July 01,		**2,482,194**	1,100,000
(Reversal) / charge of the year		**(550,000)**	1,382,194
Balance as at June 30,		**1,932,194**	2,482,194

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		Note	2026	2025
16	**ACCRUED PROFIT**			
	Profit receivable on bank deposits		**121,657**	70,332
			121,657	70,332
17	**SHORT TERM INVESTMENT**			
	At fair value through profit or loss			
	Pak Qatar-daily dividend plan	17.1	**25,151,747**	23,434,916
17.1	**Movement in short term investment**			
	Opening balance		**23,434,916**	21,308,669
	Add: dividend reinvested (dividend-net of tax)		**1,716,831**	2,126,247
	Closing balance		**25,151,747**	23,434,916

This represents investment in a mutual fund comprising 251,517 units (2025: 234,349 units) at NAV of Rs. 100 per unit (2025: Rs. 100 per unit).

		Note	2026	2025
18	**TAXATION - NET**			
	Opening balance		**68,067,855**	64,106,437
	Advance tax paid		**36,394,747**	31,238,911
	Received during the year		**(3,350,509)**	(19,195,939)
			101,112,093	76,149,409
	Provision for income tax and levy for the year		**(27,660,343)**	(8,243,603)
	Prior year adjustment		**(1,046,757)**	162,049
			72,404,993	68,067,855
19	**CASH AND BANK BALANCES**			
	Cash in hand		**66,010**	64,533
	Cash at banks:			
	- Current accounts			
	- State Bank of Pakistan		**24,768**	31,318
	- Other banks		**11,383,650**	9,530,961
	- Deposit accounts	19.1	**50,889,319**	9,367,735
			62,363,747	18,994,547

19.1 These carry profit rate in respect of deposit accounts ranging from 2.19% to 6.93% (2025: 4.5% to 9.2%) per annum.

20 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

2026	2025		2026	2025
(Number of certificates)				
11,989,930	11,989,930	Certificates of Rupees 10 each fully paid in cash.	**119,899,298**	119,899,298
1,798,490	1,798,490	Bonus certificates issued of Rupees 10 each.	**17,984,895**	17,984,895
13,788,420	13,788,420		**137,884,193**	137,884,193

20.1 As at June 30, 2026, Paramount Investments Limited (the Management Company) holds 14.26% (2025: 14.26%) representing 1,965,768 certificates (2025: 1,965,768 certificates) of the Modaraba.

21 CAPITAL RESERVES

	Note	2026	2025
Statutory reserve	21.1	**268,247,566**	111,160,598
Merger reserve	21.2	**1,935,160**	1,935,160
		270,182,726	113,095,758

21.1 Statutory reserve represents profit set aside to comply with the Modarabas Regulations, 2021 issued by the SECP vide S.R.O. 284(I)/2021 dated March 05, 2021. These Regulations require Modaraba which is not compliant with minimum equity requirements as provided in the regulations to create a reserve fund and credit an amount equivalent to 100% of its annual after-tax profit till such time the minimum equity requirements are complied with. During the year, the Group transferred 100% of its after tax profits amounting to Rs. 157.09 million (2025: Rs. 23.54 million).

21.2 In accordance with decision of the Honorable High Court of Sindh as on December 08, 2004, the First National Modaraba (FNM) was merged with the Modaraba. The Modaraba received a sum of Rs. 10.598 million from FNM, including Rs. 8.663 million as a certificate capital and Rs. 1.935 million as capital reserve.

		Note	2026	2025
22	**DEFERRED INCOME**			
	Deferred murabaha income	22.1	**11,983,594**	8,730,348
			11,983,594	8,730,348
	Less: current maturity of deferred income		**(6,572,503)**	(5,367,360)
			5,411,091	3,362,988
22.1	**Deferred murabaha income**			
	Balance as at July 1,		**8,730,348**	15,101,882
	Add: deferred income for the year		**19,464,705**	7,327,446
	Less: income recognized during the year		**(16,298,460)**	(13,232,119)
	Less: transferred to suspense income		**(496,242)**	(967,255)
	Less: unearned profit adjusted		**(389,033)**	-
	Add: reversal of suspended income		**972,276**	500,394
	Balance as at June 30,		**11,983,594**	8,730,348
23	**CERTIFICATES OF MUSHARAKA**			
	Balance as at July 1,		**173,375,000**	168,400,000
	Issued during the year		**14,350,000**	35,700,000
	Redeemed during the year		**(16,525,000)**	(30,725,000)
			171,200,000	173,375,000
	Less: current maturity of certificates of musharaka		**(39,575,000)**	(41,500,000)
	Balance as at June 30,		**131,625,000**	131,875,000

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

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

The extended compliance timeline lapsed on August 14, 2025. As the Modaraba remains non-compliant with the minimum equity and credit rating requirements set out in Regulations 17 and 19, it applied to the Securities and Exchange Commission of Pakistan (SECP) for an extension. Subsequent to the year end, through its letter No. SC/M/RS/33/Paramount/321 dated September 2, 2026, the SECP granted further extension till February 15, 2027, under Regulation 35 of the Regulations, to comply with the minimum equity and credit rating requirements. The extension is subject to the following conditions:

a) the proposed rights issue shall be completed within the stipulated timeline and the Modaraba shall achieve the minimum equity requirement of Rs. 500 million;

b) immediately upon completion of the rights issue and achievement of the minimum equity requirement, the Modaraba shall approach a credit rating company for review of its credit rating; and

c) the Modaraba shall continue to comply with all conditions imposed by the SECP through its letter dated March 17, 2026, to the extent applicable.

Subsequent to the year end, the Modaraba completed a rights issue of 6,894,210 certificates at Rs. 10 each, in the ratio of one certificate for every two certificates held (50%), raising Rs. 68.94 million. The rights issue was fully underwritten, and the certificates were allotted and credited on September 23, 2026 and October 8, 2026. Consequently, the issued, subscribed and paid-up certificate capital of the Modaraba has increased to Rs. 206.83 million, comprising 20,682,630 certificates. The Modaraba will approach a credit rating company for review of its credit rating, as required by the SECP. The management is confident that the Modaraba will achieve compliance with the above requirements within the extended period ending February 15, 2027.

23.2 These certificates have different denominations and are repayable within three months to five years. The expected share of profit on these certificates ranges from 8% to 11% (2025: 9.5% to 14.5%) per annum.

24 CREDITORS, ACCRUED AND OTHER LIABILITIES

	2026	2025
Management fee payable	**15,371,494**	105,019
Creditors	**7,987,281**	18,080,085
Accrued expenses	**2,104,209**	1,973,269
Sindh workers' welfare fund	**6,484,979**	3,162,840
Withholding income tax	**1,981,383**	3,117,495
Share of modarib payable under FPM petro	**1,304,669**	-
Payable to provident fund	**-**	36,127
Others	**5,480,078**	3,967,622
	40,714,093	30,442,457

25 CERTIFICATE OF MUSHARAKA - MATURED AND PAYABLE

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

26 ACCRUED PROFIT ON CERTIFICATES OF MUSHARAKA

	2026	2025
Balance as at July 01,	**3,331,368**	3,514,280
Add: accrued during the year	**17,300,987**	22,135,622
Less: paid during the year	**(18,259,036)**	(22,318,534)
Balance as at June 30,	**2,373,319**	3,331,368

27 CONTINGENCIES AND COMMITMENTS

a) Contingencies

Sr. No	Name of the court, agency or authority	Description	Order-in-Original No. & date	Tax period	Disputed amount (Rs.)
i	Commissioner (Appeals), Sindh Revenue Board, Karachi	Appeal was filed by the Group against Order-in-original No.629 of 2019 dated 19 July 2019 for the tax period July 2016 to June 2017 on account of non-payment of Sindh Sales Tax on Services.	No.629 of 2019, 19 July 2019	July 2016 to June 2017	**1,762,208 along with penalty of 120,000 and default surcharge (to be calculated at the time of payment)**
ii	Commissioner (Appeals), Sindh Revenue Board, Karachi	Appeal was filed by the Group against Order-in-Original No.632 of 2019 dated 23 July 2019 for the tax period July 2017 to December 2017 on account of non-payment of Sindh Sales Tax on Services.	No.632 of 2019, 23 July 2019	July 2017 to December 2017	**130,210 along with penalty of 60,000 and default surcharge (to be calculated at the time of payment)**
iii	Commissioner (Appeals), Sindh Revenue Board, Karachi	Appeal was filed by the Group against Order-in-Original No.635 of 2019 dated 25 July 2019 for the tax period July 2011 to June 2012 on account of non-payment of Sindh Sales Tax on Services.	No.635 of 2019, 25 July 2019	July 2011 to June 2012	**95,448 along with penalty of 12,000 and default surcharge (to be calculated at the time of payment)**
iv	Commissioner (Appeals), Sindh Revenue Board, Karachi	Appeal was filed by the Group against Order-in-Original No.636 of 2019 dated 29 July 2019 for the tax period July 2015 to June 2016 on account of non-payment of Sindh Sales Tax on Services.	No.636 of 2019, 29 July 2019	July 2015 to June 2016	**4,548,801 along with penalty of 227,440 and default surcharge (to be calculated at the time of payment)**
v	Commissioner (Appeals), Sindh Revenue Board, Karachi	Appeal was filed by the Group against Order-in-Original No. 915 of 2022 dated 27 April 2022 for the tax period July 2011 to June 2017 on account of non-payment of Sindh Sales Tax on Services.	No.915 of 2022, 27 April 2022	July 2011 to June 2017	**8,273,947 along with penalty of 413,697 and default surcharge (to be calculated at the time of payment)**

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Sr. No	Name of the court, agency or authority	Description	Order-in-Original No. & date	Tax period	Disputed amount (Rs.)
vi	Commissioner Appeals (III), Corporate Tax Office, FBR, Karachi	Appeal filed under section 45-B of the Sales Tax Act, 1990 by the Group against Order-in-Original 162 dated 18 June 2025 for the tax period July 2021 to March 2025 on account of discrepancies regarding inadmissible tax adjustment of Sales Tax returns. The case has been decided vide order No. 12/2025 dated 29 November 2025 and remanded back to the Tax authority.	No.162, 18 June 2025	July 2021 to March 2025	**18,619,848 along with penalty of 18,619,848 and default surcharge (to be calculated at the time of payment)**
vii	Banking Court No. 1, Karachi	The Group has filed a suit against M/s Tiflee Education (Private) Limited and its mortgagor, Mr. Muhammad Mehboob Ali Khan, to recover its Musharaka financing of Rs. 13.949 million. The claim also includes profit at 18% per annum and liquidated damages. Defendant No. 1's application for leave to defend is expected to be heard in November 2026, and Defendant No. 2 has been proceeded against ex parte. The financing is secured by a mortgage of property with a forced sale value of Rs. 64.00 million (refer note 9.2). Based on legal advice, management expects a favourable outcome, so no provision has been made.	Banking Suit No. 32 of 2026 (summons dated January 21, 2026)	-	**13,949,054**
viii	Commissioner Inland Revenue (Appeals-III), Karachi	An amount of Rs. 1.2 million has been deducted from the bank account of the Group on the instructions of the FBR vide letter #CIR/Zone-1/CRTO/Khi/2016/2544 dated 15 December 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.	Letter No. CIR/Zone-1/CRTO/Khi/2016/2544, 15 December 2016	July 2015 to June 2016	**1,205,511**

b) Commitments

There were no commitments as at June 30, 2026 (2025: Nil).

	Note	2026	2025
28 INCOME FROM TRADING OPERATIONS			
Income from:			
- FPM Petro	28.1	**55,780,569**	81,790,354
		55,780,569	81,790,354
28.1 Income from FPM petro			
Revenue - net	28.1.1	**417,964,050**	580,407,261
Less: Direct costs			
Cost of sales	28.1.2	**323,535,811**	425,083,257
Transportation charges		**6,339,700**	27,507,815
Labour charges		**1,778,920**	1,582,840
Lab testing		**371,675**	72,850
Share of modarib		**30,157,375**	44,370,145
		362,183,481	498,616,907
		55,780,569	81,790,354

28.1.1 This represents revenue (net of sales tax) generated from chemical business of FPM Petro Services. Sales tax charged on sales tax invoices issued during the year in aggregate amounted to Rs. 75.33 million (2025: Rs. 104.26 million).

	2026	2025
28.1.2 Cost of sales		
Opening stock	**12,475,079**	24,102,663
Purchases	**341,133,331**	413,455,673
Less: closing stock	**(30,072,599)**	(12,475,079)
Cost of sales	**323,535,811**	425,083,257

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		Note	2026	2025
29	**ADMINISTRATIVE AND OPERATING EXPENSES**			
	Salaries, allowances and other benefits	29.1	**24,095,765**	20,836,502
	Utilities		**1,726,488**	1,759,309
	Repairs and maintenance		**819,316**	677,296
	Takaful insurance		**2,011,692**	1,602,097
	Rent, rates and taxes	29.2	**3,080,790**	3,133,236
	Travelling and conveyance		**5,022,838**	4,201,956
	Communications		**2,181,376**	794,843
	Printing and stationery		**287,456**	396,989
	Auditor's remuneration	29.3	**1,166,380**	1,133,622
	Legal and professional		**362,500**	865,110
	Fees and subscriptions		**8,674,800**	4,664,436
	Shariah advisor fees		**768,000**	210,000
	News papers and periodicals		**12,600**	11,260
	Advertisement and publicity		**512,238**	72,000
	Depreciation		**4,617,620**	4,219,920
	Amortization		**5,487,748**	61,777
	Others		**7,791,645**	1,731,803
			68,619,252	46,372,156

29.1 Salaries, allowances and benefits include Rs. 0.791 million (2025: Rs. 0.678 million) on account of the Group's contribution to the staff provident fund.

29.2 This includes Rs. 2.357 million charge by director (2025: Rs. 2.152 million) in respect of rent for office premises.

		2026	2025
29.3	**Auditor's remuneration**		
	Statutory audit fee	**617,000**	590,815
	Half yearly review fee	**125,000**	118,148
	Review of COCG and certification fee	**85,000**	85,000
	Annual shariah audit fee	**150,000**	130,000
	Consolidation fee	**130,000**	115,000
	Out of pocket expense	**44,200**	17,037
	SST	**15,180**	77,622
		1,166,380	1,133,622

		2026	2025
30	**OTHER INCOME**		
	Profit on bank deposits	**1,650,690**	2,218,006
	Dividend income	**2,407,568**	2,846,762
	Other income	**2,073,218**	1,011,733
	Gain on disposal of property and equipment	**-**	1,544,342
		6,131,476	7,620,843
31	**OTHER EXPENSES**		
	Due from AML project written off	**15,907,415**	-
32	**FINANCIAL CHARGES**		
	Profit on certificates of musharaka	**17,300,987**	22,135,622
	Bank charges	**26,159**	10,379
		17,327,146	22,146,001

33 Modaraba Management Company's remuneration

The Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the annual net profits of the Modaraba. The fee for the year ended June 30, 2026 has been recognized at 10% (2025: 10%) of profit for the year.

		Note	2026	2025
34	**LEVY AND TAXATION**			
	Levy	34.1	**27,660,343**	711,691
	Taxation	34.3	**(21,499,208)**	7,369,863
			6,161,135	8,081,554

34.1 This represents minimum and final taxes paid under relevant sections of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

34.2 Reconciliation of current tax charge as per tax laws for the year, with current tax recognized in the profit or loss account, is as follows:

	2026	2025
Current tax charge for the year as per applicable tax laws	**27,660,343**	8,243,603
Portion of current tax liability as per tax laws, representing income tax under IAS12	**-**	(7,531,912)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC	**(27,660,343)**	(711,691)
	-	**-**

	Note	2026	2025
34.3 TAXATION			
Current tax		-	7,531,912
Prior year tax		**1,046,757**	(162,049)
		1,046,757	7,369,863
Deferred tax	34.4	**(22,545,965)**	-
		(21,499,208)	7,369,863
Relationship between accounting profit and tax expense			
Accounting profit before taxation		**133,188,985**	30,914,874
Tax at applicable rate of 29%		**38,624,806**	8,965,313
Effect of:			
Levy not deductible for tax purposes		**8,021,499**	206,390
Gain on purchase of business not taxable		**(56,376,000)**	-
Dividend income taxed under final tax regime		**(698,195)**	(825,561)
Effect of temporary differences		**(734,670)**	102,983
Recognised as deferred tax asset		**(25,658,464)**	-
Prior year tax		**1,046,757**	(162,049)
Tax losses on which deferred tax asset not recognised		**13,713,776**	-
Other		**561,283**	(917,213)
		(21,499,208)	7,369,863
34.4 DEFERRED TAX (ASSET) / LIABILITY			
Deferred tax asset comprises of:			
(Deductible) temporary differences on:			
Murabaha financing		-	(118,978)
Allowance for expected credit loss on trade receivables		-	(122,790)
Tax credit on Alternate Corporate Tax		**(25,658,464)**	-
Creditors, accrued and other liabilities		**(1,880,644)**	(1,641,387)
		(27,539,108)	(1,883,155)
Deferred tax liability comprises of:			
Taxable temporary differences on:			
Property and equipment		**288,817**	566,986
Intangible		**4,704,326**	-
		4,993,143	566,986
As at June 30,			
Net deferred tax asset	34.5	**(22,545,965)**	(1,316,169)
Less: deferred tax asset not recognised		-	1,316,169
Deferred tax asset recognised		**(22,545,965)**	-

34.5 Deferred tax asset has been recognised on the tax credit of Alternate Corporate Tax under section 113C of the Income Tax Ordinance, 2001, which is adjustable against the tax liability of subsequent tax years, and on deductible temporary differences, as management expects sufficient taxable profits in future years against which these can be utilised. The entire deferred tax asset of Rs. 27.539 million has been recognised in statement of profit or loss and other comprehensive income for the year (2025: deferred tax asset of Rs. 1.316 million was not recognised).The excess of Alternate Corporate Tax over the corporate tax can be carried forward for adjustment against the tax liability of the subsequent ten tax years.

35 EARNINGS PER CERTIFICATE - BASIC AND DILUTED

	2026	2025
Profit for the year (Rupees)	**157,086,968**	23,545,253
Weighted average number of certificates	**13,788,420**	13,788,420
Earnings per certificate - basic and diluted (Rupees)	**11.39**	1.71

35.1 There is no dilutive effect on the basic earnings per certificate of the Group, since there are no convertible instruments in issue as at June 30, 2026 (2025: Nil) which would have any effect on the earnings per certificate if the option to convert is exercised.

36 CHANGES ARISING FROM FINANCING ACTIVITIES

2026	July 1, 2025	Financing cash inflows	Financing cash outflows	Non cash changes	June 30, 2026
Unclaimed profit distributions	**18,620,240**	**-**	**(605,839)**	**-**	**18,014,401**
Accrued profit on certificates of musharaka	**3,331,368**	**-**	**(18,259,036)**	**17,300,987**	**2,373,319**
Certificate of musharaka - matured and payable	**2,800,000**	**-**	**-**	**-**	**2,800,000**
Certificates of musharaka	**173,375,000**	**14,350,000**	**(16,525,000)**	**-**	**171,200,000**

2025	July 1, 2024	Financing cash inflows	Financing cash outflows	Non cash changes	June 30, 2025
Unclaimed profit distributions	18,729,685	-	(109,445)	-	18,620,240
Accrued profit on certificates of musharaka	3,514,280	-	(22,318,534)	22,135,622	3,331,368
Certificate of musharaka - matured and payable	2,800,000	-	-	-	2,800,000
Certificates of musharaka	168,400,000	35,700,000	(30,725,000)	-	173,375,000

37 REMUNERATION OF EXECUTIVES AND OTHER EMPLOYEES

	2026		2025	
	Executives	Other employees	Executives	Other employees
Managerial remuneration	**7,465,993**	**11,011,067**	6,296,462	8,676,410
Allowances	**1,246,517**	**2,028,567**	891,754	2,950,581
Provident fund	**373,300**	**417,382**	314,823	363,164
EOBI	**120,000**	**248,550**	88,800	226,200
Others	**280,018**	**872,213**	127,012	901,296
	9,485,828	**14,577,779**	7,718,851	13,117,651
Number of persons	**5**	**16**	4	13

37.1 Certain executives are provided free use of the Group's car including fuel and insurance.

37.2 No remuneration paid to the directors of the Modaraba Management Company for the year ended June 30, 2026 (2025: Nil).

38 TRANSACTION WITH RELATED PARTIES

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

	Relationship with Modaraba	Name of Related Party	Basis of relationship	Nature of transaction	2026	2025
	Transactions during the year:					
i.	Management Company	Paramount Investments Limited	14.26% certificate holdings	Management fee for the year	**18,456,325**	3,625,823
				Payments made during the year	**3,189,850**	3,807,641
ii.	Director	Nadeem Iqbal	Key management personnel	Rent for the office premises	**2,357,150**	2,151,668
iii.	Director of Subsidiary	Irfan Naeem Malik	Director of Complytech Global Limited (subsidiary) and Musharaka partner (40%) in FPM AML/CFT Solutions.	Loan received by subsidiary	**221,184**	967,475
iv.	Staff retirement funds	Paramount Investments Limited - Employees' Provident Fund	Funded provident fund scheme	Contribution to the fund	**790,682**	677,987
				Profit paid on certificates of musharaka	**145,251**	187,254
	Balance as at June 30, 2026					
i.	Management Company	Paramount Investments Limited	14.26% certificate holdings	Management fee	**(15,371,494)**	(105,019)
ii.	Director	Nadeem Iqbal	Key management personnel	Security deposit	**217,800**	217,800
iii.	Director of Subsidiary	Irfan Naeem Malik	Director of Complytech Global Limited (subsidiary) and Musharaka partner (40%) in FPM AML/CFT Solutions.	Loan payable by subsidiary	**(1,142,784)**	217,800
iv.	Staff retirement funds	Paramount Investments Limited - Employees' Provident Fund	Funded provident fund scheme	Certificates of musharaka	**(1,400,000)**	(1,400,000)
				Accrued profit on certificate of musharaka	**(2,726)**	(3,764)

38.1 Detail of compensation to key management personnel comprising of executives is disclosed in Note 37.

39 INFORMATION ABOUT BUSINESS SEGMENTS

39.1 The Group is organised into business divisions based on the products and services offered, each of which is maintained as separate in the books of account. The Group's reportable segments are as follows as per the Group's policy:

Financing

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

FPM Petro Services

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

FPM AML/CFT Solutions

The segment provides anti-money laundering and countering the financing of terrorism (AML/CFT) solutions to corporate and financial sector clients. The business was acquired during the year (note 5.29) and is carried on under a musharaka arrangement in which the Group's share is 60% and the musharaka partner's share is 40%.

Others

Others comprise FPM Solutions (power back-up solutions through UPS and batteries), FPM Consulting, FPM Geo Dynamics International and the subsidiary companies, Paramount Compliance (Private) Limited and Complytech Global Limited. None of these meets the quantitative thresholds for a separate reportable segment.

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

39.2 Segment assets and liabilities

Segment assets and liabilities are the balances held in the books of each division at the reporting date. Balances maintained at head office, including bank balances, investments, taxation and certificates of musharaka, are reported in the financing segment. Balances between divisions are eliminated. Certificate capital, reserves, unappropriated profit and the musharaka partner's interest are not allocated to segments. Segment results are measured on the same basis as statement of profit or loss and other comprehensive income in these financial statements.

	2026				
	Financing	**FPM Petro**	**FPM AML**	**Others**	**Total**
Segment assets	**278,754,385**	**186,179,860**	**335,738,026**	**4,073,190**	**804,745,461**
Segment liabilities	**(234,451,742)**	**(5,432,464)**	**(5,756,443)**	**(1,444,758)**	**(247,085,407)**

	2025				
	Financing	**FPM Petro**	**FPM AML**	**Others**	**Total**
Segment assets	91,510,613	407,148,862	-	12,011,799	510,671,274
Segment liabilities	(90,102,570)	(126,185,867)	-	(21,010,976)	(237,299,413)

39.3 Segment revenue and results

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

	2026				
	Financing	FPM Petro	FPM AML	Others	Total
Operating revenue	16,298,460	417,964,050	9,445,074	1,230,053	444,937,637
Administration and operating expenses	(43,552,834)	(367,450,907)	(15,429,373)	(4,369,619)	(430,802,733)
Provision for doubtful recoveries	256,662	600,338	-	338,973	1,195,973
Other income	4,405,600	1,568,576	-	157,300	6,131,476
Net gain on business combination	194,400,000	-	-	-	194,400,000
Other expenses	(15,907,415)	-	-	-	(15,907,415)
	155,900,473	52,682,057	(5,984,299)	(2,643,293)	199,954,938
Financial charges	(17,313,434)	(497)	(1,800)	(11,415)	(17,327,146)
	138,587,039	52,681,560	(5,986,099)	(2,654,708)	182,627,792
Modaraba Company's management fee	(13,858,704)	(5,268,156)	598,610	71,925	(18,456,325)
	124,728,335	47,413,404	(5,387,489)	(2,582,783)	164,171,467
Sindh workers' welfare fund	(2,494,568)	(948,268)	107,750	12,947	(3,322,139)
Profit before income tax and levy	122,233,767	46,465,136	(5,279,739)	(2,569,836)	160,849,328
Levy	(27,660,343)	-	-	-	(27,660,343)
Profit before income tax	94,573,424	46,465,136	(5,279,739)	(2,569,836)	133,188,985
Taxation- net	21,499,208	-	-	-	21,499,208
Profit for the year	116,072,632	46,465,136	(5,279,739)	(2,569,836)	154,688,193

	2025				
	Financing	FPM Petro	FPM AML	Others	Total
Operating revenue	15,523,510	580,407,261	-	-	595,930,771
Administration and operating expenses	(40,801,881)	(503,644,811)	-	(542,371)	(544,989,063)
Provision for doubtful recoveries	(511,514)	-	-	-	(511,514)
Other income	2,239,511	5,375,109	-	6,223	7,620,843
	(23,550,374)	82,137,559	-	(536,148)	58,051,037
Financial charges	(22,144,324)	(958)	-	(719)	(22,146,001)
	(45,694,698)	82,136,601	-	(536,867)	35,905,036
Modaraba Company's management fee	4,569,470	(8,213,661)	-	18,368	(3,625,823)
	(41,125,228)	73,922,939	-	(518,499)	32,279,213
Sindh workers' welfare fund	822,505	(1,478,459)	-	3,306	(652,648)
Profit before levy and taxation	(40,302,723)	72,444,480	-	(515,193)	31,626,565
Levy	(711,691)	-	-	-	(711,691)
Profit before taxation	(41,014,414)	72,444,480	-	(515,193)	30,914,874
Taxation- net	(7,369,863)	-	-	-	(7,369,863)
Profit after taxation	(48,384,277)	72,444,480	-	(515,193)	23,545,011

39.4 Entity-wide information

39.4.1 Geographical information

Revenue from external customers, based on the location of the customers, is as follows:

	2026	2025
Pakistan	**442,686,505**	595,930,771
United Arab Emirates	**1,021,079**	-
Saudi Arabia	**1,230,053**	-
	444,937,637	595,930,771

All non-current assets of the Group are located in Pakistan.

39.4.2 Information about major customers

Revenue from two customers (2025: two customers) of the FPM Petro Services segment amounted to Rs. 358,731,302 (2025: Rs. 540,662,559). Each customer individually accounts for 10% or more of the Group's total revenue.

40 RISK MANAGEMENT

40.1 Financial risk management

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

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

- Credit risk
- Liquidity risk
- Market risk

(a) Credit risk

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

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

	2026	2025
Murabaha financing	**72,621,291**	47,200,142
Musharaka financing	**13,949,054**	13,949,054
Loan to employees	**565,503**	369,503
Long-term deposits	**7,800**	7,700
Trade debtors	**125,999,827**	262,671,367
Advances and other receivables	**4,730,189**	19,148,102
Advance against Morabaha	**17,500,000**	-
Short term murabaha financing	**-**	4,791,668
Short term deposit	**798,856**	256,800
Accrued profit	**121,657**	70,332
Short-term investment	**25,151,747**	23,434,916
Bank balances	**62,272,969**	18,898,696
	323,718,893	390,798,280

Description of collateral held

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

Concentration of credit risk

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

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Group 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:

	2026		2025	
	Amount	%	Amount	%
Chemical, fertilizer and pharmaceutical	**9,472,089**	**10.94%**	17,030,637	25.73%
Fuel and energy	**-**	**0.00%**	1,577,772	2.38%
Food, tobacco and beverages	**15,006,381**	**17.33%**	14,032,397	21.20%
Paper and board	**19,990,737**	**23.09%**	26,764,420	40.43%
Furniture manufacturing	**22,050,000**	**25.47%**	4,791,668	7.24%
Textile and garments	**-**	**0.00%**	-	0.00%
Steel, engineering and automobiles	**-**	**0.00%**	-	0.00%
Transportation and communication	**-**	**0.00%**	630,980	0.95%
Others	**20,051,138**	**23.17%**	1,369,651	2.07%
	86,570,345	**100%**	66,197,525	100%

The Group’s credit exposure is mainly in Pakistan.

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

	Rating			2026	2025
Banks	Long-term	Short-term	Agency		
Habib Bank Limited	AAA	A1+	VIS	**1,565,841**	422,674
Habib Metropolitan Bank Limited	AAA	A1+	PACRA	**11,706,489**	10,725,612
Faysal Bank Limited	AA+	A1+	PACRA	**378,945**	296,797
Meezan Bank Limited	AAA	A1+	VIS	**48,597,377**	7,439,332
Al Baraka Bank (Pakistan) Limited	AA-	A1	VIS	**11,689**	11,452
Bank Islami Pakistan Limited	AA-	A1	PACRA	**12,628**	2,829
				62,272,969	18,898,696

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

(b) Liquidity Risk

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

Contractual maturities of financial liabilities:

2026	Carrying amount	Contractual cash flows			Total
		Maturity upto one year	Maturity after one year but upto three years	More than three years	
Certificates of musharaka	**171,200,000**	**39,575,000**	**111,525,000**	**20,100,000**	**171,200,000**
Creditors, accrued and other liabilities	**32,247,731**	**32,247,731**	**-**	**-**	**32,247,731**
Accrued profit on certificates of musharaka	**2,373,319**	**2,373,319**	**-**	**-**	**2,373,319**
Certificate of musharaka - matured and payable	**2,800,000**	**2,800,000**	**-**	**-**	**2,800,000**
Unclaimed profit distributions	**18,014,401**	**18,014,401**	**-**	**-**	**18,014,401**
Total	**226,635,451**	**95,010,451**	**111,525,000**	**20,100,000**	**226,635,451**

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

c) Market risk

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

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk where transactions are conducted in foreign currency. As at the reporting date, if the Pakistani Rupee had depreciated / appreciated by 1% against the GBP with all other variables held constant, the profit before tax of the Group would have been lower / higher by Rs. 0.037 million (2025: Rs. 0.039 million) as a result of exchange gain / (loss) on translation of foreign currency denominated balances.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. There is other price risk of changes in the fair value of investment in mutual funds as a result of changes in the levels of net asset value of units held by the Group. As at June 30, 2026, had there been increase / decrease in net asset value by 1%, with all other variables held constant, the profit before tax for the year and equity would have been higher / lower by Rupees 0.252 million (June 30, 2025: Rupees 0.234 million) and Rupees 0.179 million (June 30, 2025: Rupees 0.166 million) respectively.

(iii) Profit rate risk

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

	2026	2025
Financial assets		
Fixed rate		
Murabaha financing	**72,621,291**	47,200,142
Short-term murabaha financing	**-**	4,791,668
	72,621,291	51,991,810
Financial assets		
Variable rate		
Bank balances	**50,889,319**	9,367,735
	50,889,319	9,367,735

	2026	2025
Financial liabilities		
Variable rate		
Certificate of musharaka	**171,200,000**	173,375,000
On statement of financial position gap	**(120,310,681)**	(164,007,265)

Cash flow sensitivity analysis for variable rate instruments

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

	2026		2025	
	Increase	Decrease	Increase	Decrease
Cash flow sensitivity - variable rate financial assets	**361,314**	**(361,314)**	66,511	(66,511)
Cash flow sensitivity - variable rate financial liabilities	**(1,215,520)**	**1,215,520**	(1,230,963)	1,230,963
Net effect	**(854,206)**	**854,206**	(1,164,452)	1,164,452

40.2 Recognized fair value measurements

(a) Financial assets

Fair value hierarchy

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

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

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

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

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

	June 30, 2026			
	Level-1	Level-2	Level-3	Total
Assets				
Short term investment				
Fair value through profit or loss	**25,151,747**	**-**	**-**	**25,151,747**

	June 30, 2025			
	Level-1	Level-2	Level-3	Total
Assets				
Short term investment				
Fair value through profit or loss	23,434,916	-	-	23,434,916

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

(b) Non financial assets

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

40.3 Financial instruments by categories

	At amortized cost	
	2026	2025
Financial assets as per statement of financial position		
Murabaha financing	**72,621,291**	47,200,142
Musharaka financing	**13,949,054**	13,949,054
Loan to employees	**565,503**	369,503
Long term deposits	**7,800**	7,700
Trade debtors	**125,999,827**	262,671,367
Advance against murabaha financing	**17,500,000**	**-**
Advances and other receivables	**4,730,189**	19,148,102
Short term murabaha financing	**-**	4,791,668
Short term deposit	**798,856**	256,800
Accrued profit	**121,657**	70,332
Cash and bank balances	**62,363,747**	18,994,547
	298,657,924	367,459,215

	At fair value through profit or loss	
	2026	2025
Short term investment	**25,151,747**	23,434,916

	At amortized cost	
Financial liabilities as per statement of financial position		
Certificates of musharaka	**171,200,000**	173,375,000
Creditors, accrued and other liabilities	**32,247,731**	24,162,122
Certificate of musharaka - matured and payable	**2,800,000**	2,800,000
Accrued profit on certificates of musharaka	**2,373,319**	3,331,368
Unclaimed profit distributions	**18,014,401**	18,620,240
	226,635,451	222,288,730

Reconciliation to the line items presented in the statement of financial position is as follows:

	Financial assets	Non-financial assets	Total as per Statement of Financial Position
As at June 30, 2026			
Assets as per statement of financial position			
Property and equipment	**-**	**19,679,522**	**19,679,522**
Intangible assets	**-**	**321,926,601**	**321,926,601**
Murabaha financing	**72,621,291**	**-**	**72,621,291**
Musharaka financing	**13,949,054**	**-**	**13,949,054**
Loan to employees	**565,503**	**-**	**565,503**
Long term deposits	**7,800**	**-**	**7,800**
Deferred tax asset	**-**	**22,545,965**	**22,545,965**
Stock in trade	**-**	**30,072,599**	**30,072,599**
Trade debtors	**125,999,827**	**-**	**125,999,827**
Advances, prepayments and other receivables	**4,730,189**	**14,306,110**	**19,036,299**
Advance against murabaha financing	**17,500,000**		**17,500,000**
Short term murabaha financing	**-**	**-**	**-**
Short term deposit	**798,856**	**-**	**798,856**
Accrued profit	**121,657**	**-**	**121,657**
Short-term investment	**25,151,747**	**-**	**25,151,747**
Taxation - net	**-**	**72,404,993**	**72,404,993**
Cash and bank balances	**62,363,747**	**-**	**62,363,747**
	323,809,671	**480,935,790**	**804,745,461**

	Financial liabilities	Non-financial liabilities	Total as per Statement of Financial Position
As at June 30, 2026			
Deferred income	**-**	**11,983,594**	**11,983,594**
Certificates of musharaka	**171,200,000**	**-**	**171,200,000**
Creditors, accrued and other liabilities	**32,247,731**	**8,466,362**	**40,714,093**
Accrued profit on certificates of musharaka	**2,373,319**	**-**	**2,373,319**
Certificate of musharaka - matured and payable	**2,800,000**	**-**	**2,800,000**
Unclaimed profit distributions	**18,014,401**	**-**	**18,014,401**
	226,635,451	**20,449,956**	**247,085,407**

	Financial assets	Non-financial assets	Total as per Statement of Financial Position
As at June 30, 2025			
Assets as per statement of financial position			
Fixed assets	-	23,281,703	23,281,703
Intangible assets	-	144,147	144,147
Murabaha financing	47,200,142	-	47,200,142
Musharaka financing	13,949,054	-	13,949,054
Loan to employees	369,503	-	369,503
Long-term deposits	7,700	-	7,700
Stock in trade	-	12,475,079	12,475,079
Trade debtors	262,671,367	-	262,671,367
Advances, prepayments and other receivables	19,148,102	15,808,359	34,956,461
Short-term murabaha financing	4,791,668	-	4,791,668
Short-term deposit	256,800	-	256,800
Accrued profit	70,332	-	70,332
Short-term investment	23,434,916	-	23,434,916
Taxation-net	-	68,067,855	68,067,855
Cash and bank balances	18,994,547	-	18,994,547
	390,894,131	119,777,143	510,671,274

	Financial liabilities	Non-financial liabilities	Total as per Statement of Financial Position
As at June 30, 2025			
Deferred income	-	8,730,348	8,730,348
Certificates of musharaka	173,375,000	-	173,375,000
Creditors, accrued and other liabilities	24,162,122	6,280,335	30,442,457
Accrued profit on certificates of musharaka	3,331,368	-	3,331,368
Certificate of musharaka - matured and payable	2,800,000	-	2,800,000
Unclaimed profit distributions	18,620,240	-	18,620,240
	222,288,730	15,010,683	237,299,413

41 SHARIAH DISCLOSURE UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

	Note	June 30, 2026		
		Conventional	Shariah Compliant	Total
Statement of financial position				
Murabaha financing	8	-	23,071,414	23,071,414
Current portion of murabaha financing	14	-	49,549,877	49,549,877
Current portion of musharaka financing	14	-	13,949,054	13,949,054
Short term murabaha financing	13	-	-	-
Accrued profit	16	-	121,657	121,657
Advance against murabaha financing		-	17,500,000	17,500,000
Short term investment	17	-	25,151,747	25,151,747
Cash and bank balances	19	-	62,363,747	62,363,747
Certificates of musharaka	23	-	131,625,000	131,625,000
Current maturity of certificates of musharaka	23	-	39,575,000	39,575,000
Certificates of musharaka - matured and payable	25	-	2,800,000	2,800,000
Accrued profit on certificates of musharaka	26	-	2,373,319	2,373,319
Short term / long term financing		-	-	-
Mark up accrued		-	-	-
Statement of profit or loss				
Income from trading operations	28	-	55,780,569	55,780,569
Income from murabaha financing	22.1	-	16,298,460	16,298,460
Income from AML	39	-	10,675,127	10,675,127
Income from musharaka financing		-	-	-
Net gain on business combination	5.29	-	194,400,000	194,400,000
Dividend income	30	-	2,407,568	2,407,568
Profit on bank deposits	30	-	1,650,690	1,650,690
Other income - financial assets	30	-	2,073,218	2,073,218
Gain on disposal of property and equipment	30	-	-	-
Profit on certificates of musharaka	32	-	17,300,987	17,300,987
Exchange gain earned from actual currency		-	-	-
Exchange gain earned using conventional derivative financial instruments		-	-	-
Late payment surcharge		-	-	-
Profit earned or interest paid		-	-	-
Realised and unrealised gain / (loss)		-	-	-

	Note	June 30, 2025		
		Conventional	Shariah Compliant	Total
Statement of financial position				
Murabaha financing	8	-	19,403,574	19,403,574
Current portion of murabaha financing	14	-	27,796,568	27,796,568
Current portion of musharaka financing	14	-	13,949,054	13,949,054
Short term murabaha financing	13	-	4,791,668	4,791,668
Accrued profit	16	-	70,332	70,332
Advance against murabaha financing		-	-	-
Short term investment	17	-	23,434,916	23,434,916
Cash and bank balances	19	-	18,994,547	18,994,547
Certificates of musharaka	23	-	131,875,000	131,875,000
Current maturity of certificates of musharaka	23	-	41,500,000	41,500,000
Certificates of musharaka - matured and payable	25	-	2,800,000	2,800,000
Accrued profit on certificates of musharaka	26	-	3,331,368	3,331,368
Short term / long term financing		-	-	-
Mark up accrued		-	-	-
Statement of profit or loss				
Income from trading operations	28	-	81,790,354	81,790,354
Income from murabaha financing	22.1	-	13,232,119	13,232,119
Income from AML	39	-	-	-
Income from musharaka financing		-	2,291,391	2,291,391
Net gain on business combination	5.29	-	-	-
Dividend income	30	-	2,846,762	2,846,762
Profit on bank deposits	30	-	2,218,006	2,218,006
Other income - financial assets	30	-	1,011,733	1,011,733
Gain on disposal of property and equipment	30	-	1,544,342	1,544,342
Profit on certificates of musharaka	32	-	22,135,622	22,135,622
Exchange gain earned from actual currency		-	-	-
Exchange gain earned using conventional derivative financial instruments		-	-	-
Late payment surcharge		-	-	-
Profit earned or interest paid		-	-	-
Realised and unrealised gain / (loss)		-	-	-

41.1 Relationship with shariah compliant financial institutions, including banks, takaful operators and their windows, etc.

Name of institution	Nature of relationship
Meezan Bank Limited	Bank balance
Habib Metropolitan Bank Limited	Bank balance
Bank Islami Pakistan Limited	Bank balance
Al Baraka Bank (Pakistan) Limited	Bank balance
Faysal Bank Limited	Bank balance
Habib Bank Limited	Bank balance
Jubilee General Insurance Company Limited - Window Takaful Operations	Takaful

The Group also has relationship with shariah compliant Asset Management Company (Pak-Qatar Asset Management Company Limited) in respect of investment in mutual fund amounting to Rs. 25.15 million (2025: Rs. 23.43 million).

42 PROVIDENT FUND RELATED DISCLOSURE

42.1 The following information is based on un-audited financial information of the Staff Provident Fund for the year ended June 30, 2026 and June 30, 2025.

	2026	2025
Size of the funds - Total assets	**15,530,025**	11,446,855
Cost of investments	**1,400,000**	1,400,000
Fair value of investments out of Provident Fund	**1,400,000**	1,400,000
Percentage of investments made	**9%**	12%

42.2 Details of fair value of investments:

Bank balances	**8,944,025**	7,403,176
Advances to employees	**5,186,000**	2,643,679
Investment in shariah compliant certificate of musharaka	**1,400,000**	1,400,000
	15,530,025	11,446,855

43 NUMBER OF EMPLOYEES

	2026	2025
	---------- Numbers ----------	
The number of employees during the year are as follows:		
Number of employees - permanent	**21**	17
Average number of employees - permanent	**19**	16
Number of employees - contractual	**3**	2
Average number of employees - contractual	**3**	2

44 NON-ADJUSTING EVENT AFTER THE REPORTING DATE

Subsequent to the year end, the Modaraba completed a rights issue of certificates of Rs. 68.94 million (refer note 23.1).

45 GENERAL

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

45.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these consolidated financial statements during the current year.

46 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements are approved and authorised for issue on 03 November 2026 by the Board of Directors of the Modaraba Management Company.

For Paramount Investments Limited
(Group Management Company)

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

FIRST PARAMOUNT MODARABA

Pattern of Shareholding

As On 30/06/2026

NO. OF SHAREHOLDERS	<---- HAVING SHARES ----> From	To	SHARES HELD	PERCENTAGE
281	1	100	7009	0.0508
149	101	500	34067	0.2471
218	501	1000	161461	1.1710
426	1001	5000	908857	6.5915
75	5001	10000	528083	3.8299
47	10001	15000	585392	4.2455
23	15001	20000	396982	2.8791
12	20001	25000	272200	1.9741
17	25001	30000	474905	3.4442
9	30001	35000	301974	2.1901
6	35001	40000	227038	1.6466
3	40001	45000	125676	0.9115
3	45001	50000	137749	0.9990
4	50001	55000	206309	1.4962
5	55001	60000	291896	2.1170
1	60001	65000	64666	0.4690
7	65001	70000	476983	3.4593
1	70001	75000	73975	0.5365
4	75001	80000	306597	2.2236
4	80001	85000	332654	2.4126
2	85001	90000	175481	1.2727
5	95001	100000	494909	3.5893
1	100001	105000	101132	0.7335
3	110001	115000	341792	2.4788
1	115001	120000	119723	0.8683
1	125001	130000	128749	0.9337
1	140001	145000	142500	1.0335
2	150001	155000	303438	2.2007
1	160001	165000	165000	1.1967
1	185001	190000	186815	1.3549
2	225001	230000	458500	3.3253
1	425001	430000	429184	3.1126
1	480001	485000	483815	3.5089

FIRST PARAMOUNT MODARABA

Pattern of Shareholding

As On 30/06/2026

NO. OF SHAREHOLDERS	<---- HAVING SHARES ----> From	To		SHARES HELD	PERCENTAGE
1	500001	505000		501973	3.6405
1	530001	535000		531983	3.8582
1	1495001	1500000		1500000	10.8787
1	1805001	1810000		1808949	13.1193
1321			Company Total	13788416	100.0000

FIRST PARAMOUNT MODARABA

Category of Shareholders

As On 30/06/2026

Particulrs	No of Folio	Balance Share	Percentage
DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN	4	459396	3.3318
ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES	4	1965768	14.2567
BANKS, DFI & NBFI	1	28	0.0002
GENERAL PUBLIC (LOCAL)	1265	7862367	57.0215
GENERAL PUBLIC (FORIEGN)	35	993652	7.2064
OTHERS	9	405232	2.9389
MODARABAS	1	501973	3.6405
SHAREHOLDERS HOLDING 5% OR MORE	2	1600000	11.6039
Company Total	1321	13788416	100.0000

FIRST PARAMOUNT MODARABA

Category of Shareholders

As On 30/06/2026

Folio No	Name	Code	Balance Held	Percentage
000000001121	MR. NADIM IQBAL	001	1160	0.0084
000000001706	MR. TANWEER AHMED MAGOON	001	99487	0.7215
000000001707	SHAHIDA TANVEER	001	128749	0.9337
003525098277	ABRAR AHMAD	001	230000	1.6681
000000000001	PARAMOUNT INVESTMENTS LIMITED	002	8371	0.0607
000000001963	PARAMOUNT INVESTMENT LIMITED	002	113292	0.8216
000000008004	PARAMOUNT INVESTMENTS LIMITED	002	35156	0.2550
003277071155	PARAMOUNT INVESTMENTS LIMITED	002	1808949	13.1193
003889000028	NATIONAL BANK OF PAKISTAN	004	28	0.0002
000000001344	SUBLIME SPORTS (PVT) LTD.	010	151375	1.0978
000000008403	M/S. EASTERN COMMERCIAL CORPORATION (PVT.) LTD.	010	1321	0.0096
000009900008	FEDERAL BOARD OF REVENUE	010	27233	0.1975
003277078335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	010	4821	0.0350
003277082127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	010	167	0.0012
003525087235	MAPLE LEAF CAPITAL LIMITED	010	1	0.0000
004705087224	FEDERAL BOARD OF REVENUE	010	73975	0.5365
005736000015	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	010	3839	0.0278
006684518228	SALIM SOZER SECURITIES (PRIVATE) LIMITED	010	142500	1.0335
000009900005	FIRST NATIONAL MODARABA	011	501973	3.6405
003277041842	ASIF NATHANI	014	1500000	10.8787
004085135929	ASIF NATHANI	014	100000	0.7252

Notice of Annual Review Meeting

Notice is hereby given that the Annual Review Meeting of Certificate-Holders of First Paramount Modaraba (FPM) will be held on Friday, 27 November 2026 at 03:30 pm at PIMA House, Room No. 201, 2nd Floor, PECHS Community Hall, Block-2, PECHS, Shahrah-e-Quideen, Karachi, to review the performance of the Modaraba for the year ended 30 June 2026.

On behalf of the Board
Syed Mudassir Ali
(Company Secretary)
Paramount Investments Limited
Managers of First Paramount Modaraba
06 November 2026
Karachi

Notes:

1. Closure of Certificate Transfer Books

The certificate transfer books shall remain closed from Thursday, 26 November 2026 to Friday, 27 November 2026 (both days inclusive). Transfers received in order at the office of the Registrar of First Paramount Modaraba (FPM) i.e. THK Associates (Pvt.) Ltd., before the close of business hours on Wednesday, 25 November 2026 will be treated as in time for the purpose of attending the Annual Review Meeting.

2. Change of address

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

3. Participation in the meeting

To facilitate certificate holders, the Modaraba is holding this meeting physically and through video link as allowed by the Securities and Exchange Commission of Pakistan. To attend the ARM through video link, the members and their proxies are requested to register themselves by providing the following information along with their Name, Folio Number, Cell No., and Number of Certificates held in their name, a valid copy of CNIC (both sides)/ passport attested copy of board resolution / power of attorney (in case of corporate certificate holders) through email with subject "Registration for FPM ARM" at s.mudassirali@fpm.com.pk by 13 November 2026:

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

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

A) For attending the meeting physically:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original CNIC or original passport at the time of attending the Meeting.

ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the Meeting.

B) For appointing proxies:

i) In case of individuals, the account holder and / or sub-account holder and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.

v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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

In terms of Securities and Exchange Commission of Pakistan's (SECP) S.R.O. 634 2014, the Annual Report for the year ended 30 June 2026 will also be placed on Modaraba's website.

5. Transmission of Annual Financial Statements through email

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

6. Unclaimed dividends

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

FORM OF PROXY
ANNUAL REVIEW MEETING

I/We_____

of_____ CDC A/C No. Folio No. _____ being a Certificate Holder of First Paramount Modaraba, do hereby appoint Mr./Miss/Ms_____

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

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

Affix Revenue
Stamp of Rs. 5

Signature: _____

Address: _____

_____

CNIC No.:_____

No. of Certificate(s) held: _____

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

Note:

1. No Form of Proxy shall be valid unless duly signed along with revenue stamp and in case of company should be executed under its common seal under signed by its authorized person.

2. This instrument appointing a proxy, duly completed, must be received at the registered Office of the Modaraba at Suit No. 107-108, P.E.C.H.S. Community Office Complex, Block 2, P.E.C.H.S., Shahrah-e-Quaideen, Karachi not later than 48 hours before the time of holding the Annual Review Meeting.

3. Attested copies of the CNIC or the Passport of beneficial owners shall be furnished with the proxy form.

4. The proxy shall produce his original CNIC or original passport at the time of the Meeting.

5. In case of corporate entity, the Board's Resolution and Power of attorney with specimen signature of the nominee shall be furnished along with proxy form to the company.

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AN ISLAMIC FINANCIAL INSTITUTION
FIRST PARAMOUNT MODARABA
AMANAT • SHIRAKAT • BARKAT

First Paramount Modaraba

(An Islamic Financial Institution)

REGISTERED OFFICE

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Block-2, P.E.C.H.S. Shahra-e-Quaideen, Karachi Ph: 34381037 - 38 - 52; Fax: 34534410,
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