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## *Mission & Vision*

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1. It is our firm commitment to operate the Modaraba activities in accordance with Islamic Sharia with its true spirit.
2. To employ the Modaraba funds in the 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 enduring relationship with our customers and other stakeholders, and construct a durable and vibrant Pakistan.

### **STATEMENT OF ETHICS AND BUSINESS PRACTICES**

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

**First Paramount Modaraba**  
(An Islamic Financial Institution)



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mian Tanweer Ahmed Magoon	Chairman
Mr. Abdul Ghaffar Umer	Chief Executive Officer
Mr. Ahmed Kasam Parekh	Director
Mr. Abdul Razzak Jangda	Director
Mr. Pir Mohammad A. Kaliya	Director
Mr. Abid Aziz (Nominee Director of Pak Libya Holding Co. Limited)	Director
Mr. Nadeem Iqbal	Director
Mr. Naseemuddin Zubairi	Chief Financial Officer
Mr. Shakeel Khan	General Manager Admin & CAD
Mr. Mazhar-ul-Haq Siddiqui	General Manager Corporate

### AUDIT COMMITTEE

Mian Tanweer Ahmed Magoon	Chairman
Mr. Ahmed Kasam Parekh	Director
Mr. Pir Mohammad A. Kaliya	Director
Mr. Naseemuddin Zubairi	Secretary

### MANAGEMENT COMMITTEE

Mian Tanweer Ahmed Magoon	Chairman
Mr. Abdul Ghaffar Umer	Chief Executive Officer
Mr. Ahmed Kasam Parekh	Director
Mr. Nadeem Iqbal	Director

### FIRST SHARIAH CERTIFIED MODARABA

by  
Mufti Abdul Sattar Laghari (Map) Sharia Advisor

**CREDIT RATING - BBB-"STABLE TO POSITIVE"  
BY JCR VIS CREDIT RATING COMPANY**



## DIRECTORS' REPORT TO THE CERTIFICATE-HOLDERS

Al-Hamdolillah, due to the grace of Allah Al Mighty, your Modaraba has recorded an all time high profit of Rs 22,881,757 for 9 months period ended on 31st March, 2011.

We, the Managers of First Paramount Modaraba, are delighted to inform you that our profit of Rs: 3.90 per share for the period under review is in addition to Rs: 19,701,591 (or Rs: 3.36 per share) which was being shown as revaluation reserve in the financial statements of previous years and now has been transferred to un-appropriated profit (Retained Earnings) due to disposal of property on account of retirement of your Modaraba from CNG Project.

Our net income from continued operation before tax for the 3rd: Quarter of the financial period comes to Re: 0.60 per share which was only Re: 0.13 for the corresponding period of previous financial year and was Rs: 1.37 for six months period ended on 31st December, 2010.

We anticipate that your Modaraba's income for the 4th quarter will further improve due to expected higher volume of Morabaha financing as well as enhancement in the income from Generators Rental Project too.

We are grateful to the Modarabas Stakeholders for their continuing confidence and patronage. We record our appreciation and thanks to the Registrar Modarabas, Securities and Exchange Commission of Pakistan and the State Bank of Pakistan for their support and guidance.

Undoubtedly, our staff members also worked hard to bring up the image of Modaraba in an outstanding position.

for and on behalf of  
Board of Directors of  
Paramount Investments Limited

Karachi:  
Date: 22nd: April, 2011

**Abdul Ghaffar Umer**  
Chief Executive Officer

**First Paramount Modaraba**  
(An Islamic Financial Institution)



**BALANCE SHEET**  
as at March 31, 2011 (Un-Audited)

	Note	31-March 2011 Unaudited	30-June 2010 Audited
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Operating fixed assets	4	23,168,974	18,176,360
Murabaha receivable		78,236,516	35,340,327
Long term deposit		7,428	3,000
		<u>101,412,918</u>	<u>53,519,687</u>
<b>CURRENT ASSETS</b>			
Cash and bank balances		4,574,186	30,310,261
Current portion of long term murabaha receivable		89,696,788	61,653,830
Short term murabaha receivable		34,530,180	40,283,783
Stores and spares		366,268	1,044,981
Accrued profit		698,171	1,019,037
Advances, prepayments and other receivables		1,871,921	12,629,529
Assets of discontinued operation		-	48,080,867
		<u>131,737,513</u>	<u>195,022,288</u>
<b>TOTAL ASSETS</b>		<u><u>233,150,431</u></u>	<u><u>248,541,975</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Certificate Capital</b>			
Authorised			
25,000,000 (30 June 2010: 25,000,000) Certificates of Rs.10 each		250,000,000	250,000,000
Issued, subscribed and paid-up		58,633,330	58,633,330
Capital reserves		36,425,228	56,126,819
Unappropriated profit		44,053,259	12,003,913
		<u>139,111,817</u>	<u>126,764,062</u>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Deferred Murabaha income		37,673,252	18,155,190
		<u>37,673,252</u>	<u>18,155,190</u>
<b>CURRENT LIABILITIES</b>			
Creditors, accrued and other liabilities		25,415,422	3,904,503
Current portion of long term Murabaha finance		-	536,250
Short term Murabaha finance		19,119,772	35,971,595
Deferred Murabaha income		2,803,479	2,828,005
Payable to Modaraba Management Company - a related party		2,432,616	1,936,022
Unclaimed dividend		6,594,072	5,428,145
Liabilities of discontinued operation		-	53,018,203
		<u>56,365,362</u>	<u>103,622,723</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>233,150,431</u></u>	<u><u>248,541,975</u></u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Director



**PROFIT AND LOSS ACCOUNT**  
for the period ended March 31, 2011 (Un-Audited)

Note	9 Months		Quarter	
	July-March 2011 Rupees	July-March 2010 Rupees	Jan-March 2011 Rupees	Jan-March 2010 Rupees
Operating income	7 19,908,402	15,950,192	8,073,649	4,560,471
<b>Operating costs</b>				
Depreciation on assets	405,493	354,307	145,681	126,234
Provision for doubtful recoveries	263,566	-	-	-
Administrative expenses	7,276,675	5,491,493	3,051,889	1,834,757
	(7,945,734)	(5,845,800)	(3,197,570)	(1,960,991)
	11,962,668	10,104,392	4,876,079	2,599,480
Other income	510,505	628,452	115,831	99,295
	12,473,173	10,732,844	4,991,910	2,698,775
Financial charges	(3,528,849)	(6,015,162)	(1,092,966)	(1,845,896)
Profit from continued operations	8,944,324	4,717,682	3,898,944	852,879
Gain on discontinued operation	6 16,479,850	8,577,957	-	1,789,360
	25,424,174	13,295,639	3,898,944	2,642,239
Modaraba company's management fee	(2,542,417)	(1,329,564)	(389,894)	(264,224)
Profit for the period	22,881,757	11,966,075	3,509,050	2,378,015
<b>Earnings per certificate - basic and diluted</b>				
From continuing operation	1.37	0.72	0.60	0.13
From discontinued operation	2.53	1.32	-	0.27
<b>Total EPS</b>	<b>3.90</b>	<b>2.04</b>	<b>0.60</b>	<b>0.40</b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Director

**First Paramount Modaraba**  
(An Islamic Financial Institution)



**CASH FLOW STATEMENT**  
for the period ended March 31, 2011 (Un-Audited)

	31-Mar 2011 Un-Audited	30-Jun 2010 Audited
	Rupees	
	-----	-----
<b>Profit for the period</b>	22,881,757	16,713,197
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	1,623,900	3,669,737
Provision for worker's welfare fund	518,861	
Provision for doubtful recoveries	263,566	(128,812)
Financial charges	3,528,849	7,468,959
Gain on sale of discontinued operation	(17,446,102)	-
Gain on sale of assets in own use	(49,037)	(439,901)
Operating profit before working capital changes	<u>11,321,794</u>	<u>27,283,180</u>
<i>(Increase) / decrease in assets</i>		
- Stock in trade	678,713	2,092,249
- Accrued profit	320,866	(463,441)
- Advances, prepayments and other receivable	10,757,608	(10,829,110)
<i>Increase / (decrease) in liabilities</i>		
- Accrued and other liabilities	22,456,449	(7,131,508)
- Payable to modaraba management company.	496,594	(44,907)
Net cash (used in) / from operations	<u>46,032,025</u>	<u>10,906,463</u>
Staff Gratuity	-	(667,908)
<i>Increase / (decrease) in assets / liabilities of discontinued operation</i>	(34,010,408)	8,564,454
Financial charges	<u>(4,474,379)</u>	<u>(10,381,710)</u>
<b>Net cash from operating activities</b>	<u>7,547,238</u>	<u>8,421,299</u>
<b>Cash flows from investing activities</b>		
Murabaha receivable-net	(45,692,008)	4,545,416
Long-term deposits	(4,428)	2,807,445
Capital expenditure including capital work in progress	(6,685,142)	(10,072,380)
Sale proceeds of assets of discontinued operations	65,000,000	45,926,800
Sale proceeds of assets in own use	576,000	-
<b>Net cash (used in) / from investing activities</b>	<u>13,194,422</u>	<u>43,207,281</u>
<b>Cash flows from financing activities</b>		
Murabaha financing repaid - net	(17,388,073)	(30,322,923)
Dividend paid	(9,388,072)	(8,108,652)
Transferred to retained earning on disposal	(19,701,591)	-
<b>Net cash (used in) financing activities</b>	<u>(46,477,736)</u>	<u>(38,431,575)</u>
<b>Net (decrease) in cash and cash equivalents</b>	<u>(25,736,076)</u>	<u>13,197,005</u>
<b>Cash and cash equivalents at beginning of the period</b>	<u>30,310,261</u>	<u>17,113,256</u>
<b>Cash and cash equivalents at end of the period</b>	<u><u>4,574,185</u></u>	<u><u>30,310,261</u></u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Director

**First Paramount Modaraba**  
(An Islamic Financial Institution)



**STATEMENT OF CHANGES IN EQUITY**  
for the period ended March 31, 2011 (Un-Audited)

	RESERVES					Total
	CAPITAL		REVENUE			
	Share Capital	Merger Reserve	Statutory Reserve	Revaluation Reserve	Unappropriated Profit	
	< ----- Rupees ----- >					
<b>BALANCES AS AT JULY 01, 2009</b>	58,633,330	1,935,160	28,640,449	19,701,591	9,935,333	118,845,863
Profit Distribution Declared for the year ended June 30, 2009	-	-	-	-	(8,795,000)	(8,795,000)
Profit for the year 2009-10	-	-	-	-	16,713,197	16,713,197
Transferred to Statutory Reserve			5,849,619	-	(5,849,619)	-
<b>BALANCES AS AT JUNE 30, 2010</b>	58,633,330	1,935,160	34,490,068	19,701,591	12,003,911	126,764,060
Profit Distribution Declared for the year ended June 30 2010	-	-	-	-	(10,533,999)	(10,533,999)
<b>Profit for the quarter ended March 31, 2010</b>	-	-	-	-	22,881,757	22,881,757
Transferred to retained earnings	-	-	-	(19,701,591)	19,701,591	-
<b>BALANCES AS AT MARCH 31, 2011</b>	58,633,330	1,935,160	34,490,068	-	44,053,259	139,111,817

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Director



**NOTES TO THE INTERIM FINANCIAL  
INFORMATION (UN-AUDITED)**  
for the quarter ended 31 March 2011

**1. LEGAL STATUS AND OPERATIONS**

The Modaraba is a multi purpose, perpetual and multidimensional Modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed there under and is managed by Paramount Investments Limited, a company incorporated in Pakistan.

The Modaraba is listed on the Karachi and Islamabad Stock Exchanges. The registered office of the Modaraba is situated at Karachi. Modaraba's principal activities includes operations of CNG stations and deployment of funds on murabaha and musharaka arrangements and generator rental and sale project under the name "Advance Trading Corporation (ATC)".

- 1.1 CNG operators license was obtained in January, 1999 from Director General Gas, Government of Pakistan. During the six months period ended, the modaraba has discontinued its CNG project / business and disposed off its share in favor of AM. Associates
- 1.2 The financial statements are presented in Pakistan rupees, which is the modaraba's functional and presentation currency. Figures have been rounded off to the nearest rupee, otherwise stated.

**2. BASIS OF PREPARATION**

- 2.1 This financial information is presented in a condensed form in accordance with approved accounting standards as applicable in Pakistan for Interim financial Reporting. This condensed interim financial information does not include all of the information required for full financial information and should be read in conjunction with the financial statements of the Modaraba for the year ended 30 June, 2010.
- 2.2 The accounting policies and methods of computation followed for the preparation of this financial information are the same as those applied in preparing the financial statements for the year ended 30 June, 2010.



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2.3 The Securities and Exchange Commission of Pakistan, Specialized Companies Division, vide Circular No. 10 of 2004 dated February 13, 2004 deferred the applicability of IAS - 17 "Leases" to the modarabas till further orders. Accordingly, the requirements of the said Standard have not been considered in the preparation of these financial information. The accounting framework defined in IFAS - 2 (Ijarah) have been used.

	Note	March 31 2011 (Unaudited)	June 30 2010 (Audited)
<b>4. OPERATING FIXED ASSETS</b>			
Assets in own use- tangible	4.1	22,893,974	18,176,360
Capital work in progress- at cost		<u>275,000</u>	-
	<i>Rupees</i>	<u><b>23,168,974</b></u>	<u>18,176,360</u>
<b>4.1 Additions and deletions made during the period are as follows:</b>			
Additions during the period / year			
Plant and machinery		5,789,335	8,309,785
Furniture and fittings		2,162	6,095
Office equipment		-	285,981
Computer		20,255	63,270
Motor vehicles		598,390	1,407,239
	<i>Rupees</i>	<u><b>6,410,142</b></u>	<u>10,072,370</u>
Deletions (at book value) during the period / year			
Plant and machinery		-	1,588,438
Office equipment		117,800	16,843
Motor vehicles		43,000	951,632
	<i>Rupees</i>	<u><b>160,800</b></u>	<u>2,556,913</u>
<b>5 These interim financial statements are Unaudited and prepared as required under clause (xxi) of code of Corporate Governance.</b>			

**First Paramount Modaraba**  
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**6. GAIN ON DISCONTINUED OPERATIONS**

	9 Months		Quarter	
	July-March 2011 Rupees	July-March 2010 Rupees	Jan-March 2011 Rupees	Jan-March 2010 Rupees
Gain on sale of discontinued operation	17,446,102	-	-	-
Profit on CNG filling and conversion CNG project musharika	6.1 (966,252)	8,577,957	-	1,789,360
	<u>16,479,850</u>	<u>8,577,957</u>	<u>-</u>	<u>1,789,360</u>
<b>6.1 PROFIT ON CNG FILLING &amp; CONVERSION CNG PROJECT MUSHARIKA</b>				
Gas Filling	22,477,853	97,546,701		30,699,446
Conversion / Trading	230,000	884,100		128,500
Profit on Bank Deposit	367,916	279,288		-
Others	-	314,000		78,100
Total Sale	23,075,769	99,024,089	-	30,906,046
Less:				
Electricity Charges	4,852,135	9,732,649		3,271,683
Diesel & Oil	521,380	1,567,654		210,430
Gas	14,462,475	53,048,608		17,981,571
Store and spares	18,330	86,645		30,585
Consumption-Kits & Cylinders	208,834	812,498		107,258
	<u>20,063,154</u>	<u>65,248,054</u>	<u>-</u>	<u>21,601,527</u>
Gross Profit	3,012,615	33,776,035	-	9,304,519
Less: Operating Expenses				
Salaries & Allowances / Other Benefits	1,532,425	4,952,092		1,508,602
Water Charges	4,400	143,800		43,400
Repairs & Maintenance	154,503	1,078,616		476,960
Rent, Rates & Taxes	1,985,772	3,486,672		1,096,472
Travelling & Entertainment	25,499	153,274		37,954
Vehicle Running & Maintenance	53,030	317,610		249,760
Printing & Stationery	34,971	124,216		11,596
Communication	54,299	82,211		27,245
Insurance	100,143	280,523		93,485
Legal & Professional	200,000	-		-
Fee & Subscription	57,100	512,668		367,884
Advertisement & Publicity	-	58,817		5,600
Bank Charges	18,489	67,957		50,539
Lease Rental	-	684,037		123,743
Depreciation	-	2,571,740		865,821
Miscellaneous	228,526	716,514		255,685
5% charity	-	842,415		175,728
15% Pak CNG Management Fee	50,000	2,400,884		500,824
3% Modaraba's Management Fee	-	408,150		85,140
	<u>4,499,157</u>	<u>18,882,196</u>	<u>-</u>	<u>5,976,438</u>
<b>Profit before Tax</b>	<u>(1,486,542)</u>	<u>14,893,839</u>	<u>-</u>	<u>3,328,081</u>
<b>Less: Withholding Tax</b>	-	(1,696,982)	-	(575,219)
<b>Profit after Tax</b>	<u>(1,486,542)</u>	<u>13,196,857</u>	<u>-</u>	<u>2,752,862</u>
License fee @ 35%	(520,290)	4,618,900	-	963,502
<b>Net Profit of the Modaraba</b>	<u>(966,252)</u>	<u>8,577,957</u>	<u>-</u>	<u>1,789,360</u>
	<u>(1,486,542)</u>	<u>13,196,857</u>	<u>-</u>	<u>2,752,862</u>

Quarterly Report 2010

**First Paramount Modaraba**  
(An Islamic Financial Institution)



**7- OPERATING INCOME**

	9 Months		Quarter	
	July-March 2011 Rupees	July-March 2010 Rupees	Jan-March 2011 Rupees	Jan-March 2010 Rupees
Morabaha Income	18,631,574	15,118,660	7,518,282	4,469,780
Profit on Generator Project	1,276,828	831,531	555,367	90,691
	<b>19,908,402</b>	<b>15,950,191</b>	<b>8,073,649</b>	<b>4,560,471</b>

**7.1 Profit on Generator Rental Project**

Rental Income	13,153,528	10,571,821	3,795,250	2,550,333
Income on Sale	410,385	117,340	121,716	14,900
Loss on sale of Fixed Assets	-	(286,436)	-	(286,436)
Other Income	212,960	802,525	-	638,525
<b>Total Income</b>	<b>13,776,873</b>	<b>11,205,250</b>	<b>3,916,966</b>	<b>2,917,322</b>

**Less: Operating Expenses**

Salaries & Allowances / Other Benefits	2,669,375	1,995,510	798,937	644,427
Rent, Rates & Taxes	418,548	615,000	240,000	75,000
Electricity Charges	59,446	45,768	13,249	13,620
Travelling, Transportation & Conveyance	432,768	672,453	80,505	165,500
Printing & Stationery	55,836	32,249	17,815	3,809
Insurance	643,763	531,297	242,606	174,101
Bank Charges	6,579	-	2,588	-
Repairs & Maintenance	3,569,584	2,506,582	490,880	553,913
Advertisement & Publicity	317,808	296,789	73,142	140,820
Fee & Subscription	45,000	45,000	15,000	15,000
Telephone & Postage	52,482	21,269	19,140	5,200
Depreciation	2,339,042	1,871,681	551,335	505,315
Entertainment	12,390	-	4,355	-
Water Charges	2,620	-	760	-
Miscellaneous	22,213	533,622	5,488	398,339
5% charity	156,471	101,902	68,058	11,114
3% Modaraba's Management Fee	89,188	58,084	38,793	6,335
15% ATC Management Fee	432,564	281,707	188,147	30,724
	<b>11,325,677</b>	<b>9,608,913</b>	<b>2,850,798</b>	<b>2,743,217</b>
<b>Net Profit / Loss</b>	<b>2,451,196</b>	<b>1,596,337</b>	<b>1,066,168</b>	<b>174,105</b>
Share of Modaraba @ 52.09%	1,276,828	831,532	555,367	90,691
47.91% Profit of the Investor	1,174,368	764,805	510,801	83,414
	<b>2,451,196</b>	<b>1,596,337</b>	<b>1,066,168</b>	<b>174,105</b>

***First Paramount Modaraba***  
*(An Islamic Financial Institution)*



**8. MANAGEMENT FEES**

Final liability would be determined on the basis of annual results.

**9. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been approved by the Board of Directors of the Management Company and authorized for issue on April 22, 2011.

**10. GENERAL**

Figures have been rounded off to the nearest Rupee.

Chief Executive Officer

Director

Director