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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 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**

Mr. Tanweer Ahmed Magoon	Chairman
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. Muhammad Hussain Mehanti	Director
Mr. Masood Ahmed Shaikh	Director
Mr. Nadeem Iqbal	Director

Mr. Abdul Ghaffar Umer Chief Executive Officer

### **AUDIT COMMITTEE**

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

### **CHIEF FINANCIAL OFFICER**

Mr. Naseemuddin Zubairi Chief Financial Officer



## Directors' Report to the Certificate Holders

We present herewith 3rd Quarterly unaudited financial statements of First Paramount Modaraba for nine months ended on 31st March 2009.

We feel immense pleasure to announce that by the blessings and mercies of Allah Al Mighty your Modaraba has been able to earn an all time high after tax profit of Rs.14,964, 851 for the period of 9 months which indicates an earning of Rs.2.55 per Modaraba certificate.

The earnings of previous three quarters and comparative data for the corresponding period of previous year are narrated here-under:-

	2008-2009		2007-2008	
	Amount of profit	Earning per certificate	Amount of profit	Earning per certificate
Operating income of 1st quarter	4,050,616	0.69	3,661,523	0.62
Capital gain during 1st quarter	4,280,031	0.73	-	-
Total income of 1st quarter	8,330,647	1.42	3,661,523	0.62
Operating income of 2nd quarter	3,181,152	0.54	3,246,751	0.56
Operating Income of 3Rd Quarter	3,453,052	0.59	2,327,368	0.4
Total income of nine Months (3 Quarters)	<u>14,964,851</u>	<u>2.55</u>	<u>9,235,642</u>	<u>1.58</u>

We established a separate wing for trading and rental of generators. The initial performance of generators rental business from August to December 2008 was satisfactory but due to limited seasonal activities and recession in the country, the rental business could not remain stable from January to March 2009. It is expected that this situation would continue for the next couple of months too and will revive from June/July 2009.

We purchased generators for about Rs.6 million for trading in the month of March 2009, result of which will come into picture up to the end of the financial year 2009. The investment of Modaraba in generator rental and trading project is 52% whereas the balance amount of 48% has been provided by an investors' group and the project is being managed on Musharika basis.

CNG: The profit of CNG project increased by Rs.1,135,337 or by about 14% over the previous financial period but due to competition amongst CNG stations operators, it seems that perhaps there would be negative impact of this competition on the profitability of CNG project in the days to come.

In the last, we bring on the records our sincere thanks for the cooperation of the Registrar Modarabas, Securities and Exchange Commission of Pakistan, and State Bank of Pakistan and the staff members of Modaraba.

for and on behalf of Board

**Abdul Ghaffar Umer**  
Chief Executive Officer

Date: 28th April 2009

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



**BALANCE SHEET**  
as at March 31, 2009 (Unaudited)

	Note	Unaudited 31-March 2009	Audited 30-June 2008
<b>Assets</b>			
Current Assets			
Cash and Bank Balances		13,136,241	12,626,394
Current Portion of Long Term Morabaha Finance		46,723,464	37,777,519
Short Term Morabaha Finance		53,535,324	48,898,432
Musharika Investment		-	3,150,000
Stock In Trade		3,821,948	968,513
Trade Debtors		1,869,577	1,389,467
Accrued Profit		859,336	1,212,817
Advances, Prepayments and Other Receivables		1,647,129	1,081,713
<b>Total Current Assets</b>		<b>121,593,019</b>	<b>107,104,855</b>
Long Term Morabaha Finance		31,540,295	41,271,905
Long Term Deposit		3,576,957	3,576,957
Property, Plant and Equipment		55,554,412	53,830,034
<b>Total Assets</b>		<b>212,264,683</b>	<b>205,783,751</b>
<b>Liabilities</b>			
Current Liabilities			
Creditors, Accrued and Other Liabilities		12,070,979	9,778,173
Current Portion of Long Term Morabaha Finance		23,787,588	42,500,412
Short Term Morabaha Finance		39,715,902	14,687,787
Profit Payable on Morabaha Finance		4,988,363	5,354,356
Payable to Modaraba Management Company		3,636,028	2,263,268
Zakat Payable		283,958	-
Provision for Taxation		-	30,000
Unclaimed Dividend		5,687,755	4,284,676
<b>Total Current Liabilities</b>		<b>90,170,571</b>	<b>78,898,671</b>
Long Term Morabaha Finance		5,292,593	17,037,641
Security Deposits		317,242	283,569
Deferred Liabilities		771,147	606,927
<b>TOTAL LIABILITIES</b>		<b>96,551,555</b>	<b>96,826,808</b>
<b>NET ASSETS</b>		<b>115,713,128</b>	<b>108,956,943</b>
<b>REPRESENTED BY :</b>			
Certificate Capital		58,633,330	58,633,330
Capital Reserves		41,228,406	41,228,406
Unappropriated Profit		15,851,392	9,095,208
		<b>115,713,128</b>	<b>108,956,943</b>

The annexed notes from 1 to 08 form an integral part of these financial statements.

Chief Executive Officer

Director

Director

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



**PROFIT AND LOSS ACCOUNT**  
for the period ended March 31, 2009 (Unaudited)

	9 Months July-March 2009 Rupees	9 Months July-March 2008 Rupees	Quarter Jan-March 2009 Rupees	Quarter Jan-March 2008 Rupees
<b>Revenue</b>				
Profit on Morabaha Finance	17,060,996	11,506,466	5,940,518	3,597,971
Profit on Musharika-CNG Project	9,029,742	7,894,405	2,831,826	2,546,384
Profit/Loss from Generator Project	(1,096,064)	-	(790,047)	-
Profit on Bank Deposits	100,396	68,904	6,965	1,534
3% Musharika Management Fee	429,647	375,626	134,742	121,160
Other Income	178,685	107,471	3,500	19,060
Gross Profit	25,703,401	19,952,872	8,127,503	6,286,109
<b>Expenses</b>				
Operating Expenses	5,767,830	4,489,292	1,671,742	1,567,602
Profit To Morabaha Investors	7,615,897	5,101,756	2,619,036	2,032,544
Provision against Doubtful Recoveries	500,000	100,000	-	100,000
Provision against Advance Tax	205,178	-	-	-
	14,088,905	9,691,048	4,290,778	3,700,146
Operating Profit	11,614,496	10,261,824	3,836,725	2,585,963
Gain on sale of Fixed Assets	5,013,116	-	-	-
Net Profit	16,627,612	10,261,824	3,836,725	2,585,963
Modaraba Company's Management Fee	(1,662,761)	(1,026,182)	(383,673)	(258,596)
Profit before Taxation	14,964,851	9,235,642	3,453,053	2,327,367
Taxation	-	-	-	-
Profit for the Period	14,964,851	9,235,642	3,453,053	2,327,367
Earnings per Certificate (Basic and diluted)	2.55	1.58	0.59	0.40

The annexed notes from 1 to 08 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



**CASH FLOW STATEMENT**  
for the period ended March 31, 2009 (Un-Audited)

	Mar-09	Jun-08
	----- Rupees -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	14,964,851	12,359,399
Adjustments for:		
Profit on morabaha finance	7,615,897	7,839,762
Depreciation	2,136,855	3,140,164
Provision for gratuity	181,221	256,957
Gain / Loss on sale of property, plant and equipment	(5,013,116)	12,031
Provision for doubtful recoveries	500,000	-
Other Provision	205,178	-
Amount written off	-	504,531
	<u>20,590,886</u>	<u>24,112,844</u>
(Increase) / decrease in current assets		
Stock in trade	(2,853,435)	(173,511)
Trade debtors	(480,110)	2,112,624
Accrued profit	353,481	(339,373)
Advances, prepayments and other receivables	(565,416)	2,768,387
	(3,545,480)	4,368,127
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	2,546,762	3,861,769
Payable to modaraba management company	1,372,761	958,987
	<u>3,919,522</u>	<u>4,820,755</u>
Cash generated from operations	20,964,928	33,301,727
Staff gratuity paid	(17,000)	(155,000)
<b>Net cash flow from operating activities</b>	<u>20,947,928</u>	<u>33,146,727</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(10,141,793)	(3,864,190)
Proceeds from sale of property, plant and equipment	10,588,500	4,000
Long term morabaha finance	785,665	(22,179,382)
Musharika Finance	3,150,000	2,950,000
Long-term deposits	-	(451,300)
Short-term morabaha finance	(4,636,892)	(22,953,696)
<b>Net cash flow from / (used in) investing activities</b>	<u>(254,520)</u>	<u>(46,494,568)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit paid on morabaha financing	(7,981,890)	(4,173,226)
Long term morabaha finance	(30,457,872)	19,986,659
Short-term morabaha finance	25,028,115	6,106,519
Security Deposit	33,673	-
Dividend paid	(6,805,587)	(6,449,666)
<b>Net cash used in financing activities</b>	<u>(20,183,560)</u>	<u>15,470,285</u>
Net increase in cash and cash equivalents (A + B + C)	509,848	2,122,444
Cash and cash equivalents at the beginning of the year	12,626,393	10,503,949
<b>Cash and cash equivalents at the end of the year</b>	<u>13,136,241</u>	<u>12,626,393</u>

The annexed notes from 1 to 08 form an integral part of these financial statements.

**Chief Executive Officer**

**Director**

**Director**



**STATEMENT OF CHANGES IN EQUITY**  
for the period ended March 31, 2009 (Un-Audited)

	RESERVES					Total
	CAPITAL		REVENUE			
	Certificate Capital	Merger Reserve	Statutory Reserve	Revaluation Reserve	Unappropriated Profit	
	< ----- Rupees ----- >					
BALANCES AS AT JUNE 30 2007	58,633,330	1,935,160	15,883,835	19,701,591	6,893,294	103,047,210
Profit Distribution Declared for the year ended June 30 2007	-	-	-	-	(6,449,666)	(6,449,666)
Profit for the year	-	-	-	-	12,359,398	12,359,398
Transferred to Statutory Reserve	-	-	3,707,819	-	(3,707,819)	-
BALANCES AS AT JUNE 30 2008	58,633,330	1,935,160	19,591,655	19,701,591	9,095,207	108,956,943
Profit Distribution Declared for the Year ended June 30 2008	-	-	-	-	(8,208,666)	(8,208,666)
Profit for the quarter ended 31st March 2009	-	-	-	-	14,964,851	14,964,851
	<b>58,633,330</b>	<b>1,935,160</b>	<b>19,591,655</b>	<b>19,701,591</b>	<b>15,851,392</b>	<b>115,713,128</b>

The annexed notes from 1 to 08 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



**SELECTED EXPLANATORY NOTES TO THE CONDENSED  
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
for the quarter ended 31 March 2009**

**1. GENERAL INFORMATION**

- 1.1** 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 thereunder and is managed by Paramount Investments Limited, a company incorporated in Pakistan. Modaraba is listed on the Karachi and Islamabad Stock Exchanges. 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.
- 1.2** Modaraba obtained CNG operators license in January, 1999 and is operating two CNG stations.
- 1.3** The financial statements are presented in Pak rupees, which is the modaraba's functional and presentation currency.

**2. STATEMENT OF COMPLIANCE**

Significant accounting policies adopted in the preparation of these financial statements are set out below:-

**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) ['the Modaraba Regulations'] together with approved accounting standards as applicable in Pakistan to Modarabas. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) as notified under the provisions of the Companies Ordinance, 1984 and made applicable to Modarabas under 'the Modaraba Regulations'. Wherever the requirements of 'the Modaraba Regulations' differ from the requirements of these standards, the requirements of 'the Modaraba Regulations' take precedence.

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The SECP has deferred the application of IAS 17 "Leases" and specific requirements of IAS 39 "Financial Instruments, Recognition and Measurement" for recognition of unrealized gain on "held for trading" investments for Modarabas.

SECP has notified the Islamic Financial Accounting Standard 1, issued by the Institute of Chartered Accountants of Pakistan, relating to accounting for Murabaha transactions undertaken by a bank and similar financial institution. Modaraba has accordingly changed its accounting policy for revenue recognition and associated assets in relation to disbursement of fresh murabaha finance.

In addition SECP has also notified Islamic Financial Accounting Standard 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan. This standard is operative for financial statements covering the period beginning on or after 1 July, 2007 and is required to be followed on those ijarahs which commence after the above mentioned date. The Modaraba Association of Pakistan (MAP) has approached the SECP for the deferment of the said standard. There will be no significant impact if this standard is made applicable on the financial statements of the Modaraba because no Ijarah facility has been provided by the Modaraba.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these financial statements are the same which were applied for the preparation of financial statements for the year ended June 30, 2008.

4. These interim financial statements are Unaudited and prepared as required under clause (xxi) of code of Corporate Governance.

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**5. Profit on CNG Project**

	July-March 2009	July-March 2008	Jan-March 2009	Jan-March 2008
Gas Filling	101,232,238	89,806,478	33,647,477	28,669,038
Conversion / Trading	2,265,000	1,906,400	224,500	459,249
Profit on Bank Deposits	368,778	181,751	-	-
Others	201,108	21,750	4,500	6,500
<b>Total Sale</b>	<b>104,067,124</b>	<b>91,916,379</b>	<b>33,876,477</b>	<b>29,134,787</b>
Less:				
Electricity Charges	5,657,078	4,833,500	1,917,700	1,103,760
Diesel & Oil	8,643,558	8,032,808	2,430,460	2,506,332
Gas	52,545,206	43,142,458	18,290,205	14,231,320
Franchise Fee	-	1,918,040	-	634,028
Kit Installation Parts & Others	125,136	117,221	49,356	33,758
Consumption-Kits & Cylinders	1,870,305	1,575,946	196,305	371,018
	<u>68,841,283</u>	<u>59,619,973</u>	<u>22,884,026</u>	<u>18,880,216</u>
<b>Gross Profit</b>	<b>35,225,841</b>	<b>32,296,406</b>	<b>10,992,451</b>	<b>10,254,571</b>
<b>Less: Operating Expenses</b>				
Salaries & Allowances/Other Benefits	4,669,169	3,764,392	1,404,968	1,231,931
Rent, Rates & Taxes	3,360,756	3,507,718	613,586	1,050,500
Repairs & Maintenance	1,938,648	2,145,356	671,455	631,273
Depreciation	2,670,402	3,126,936	717,811	1,043,452
Miscellaneous	3,170,340	4,246,289	1,437,436	1,295,962
5% charity	886,784	775,286	278,105	250,073
15% Pak CNG Management Fee	2,527,334	2,209,564	792,600	712,707
3% Modaraba's Management Fee	429,647	375,626	134,742	121,160
	<u>19,653,079</u>	<u>20,151,167</u>	<u>6,050,702</u>	<u>6,337,058</u>
<b>Profit before Tax</b>	<b>15,572,762</b>	<b>12,145,239</b>	<b>4,941,749</b>	<b>3,917,513</b>
<b>Less: Withholding Tax</b>	<b>(1,680,852)</b>	<b>-</b>	<b>(585,095)</b>	<b>-</b>
<b>Profit After Tax</b>	<b>13,891,910</b>	<b>12,145,239</b>	<b>4,356,654</b>	<b>3,917,513</b>
Licence fee @ 35%	4,862,169	4,250,834	1,524,829	1,371,130
<b>Net Profit of the Modaraba</b>	<b>9,029,742</b>	<b>7,894,405</b>	<b>2,831,825</b>	<b>2,546,383</b>



## 6. Profit on Generator Project

	July-March 2009	July-March 2008	Jan-March 2009	Jan-March 2008
Rental Income	4,517,409	-	762,657	-
<b>Less: Operating Expenses</b>				
Salaries & Allowances / Other Benefits	1,359,805	-	461,324	-
Rent, Rates & Taxes	200,000	-	75,000	-
Repairs & Maintenance	213,434	-	111,367	-
Depreciation	288,713	-	98,681	-
Miscellaneous	842,352	-	295,229	-
5% charity	80,655	-	-	-
15% Modaraba's Management Fee	229,867	-	-	-
	<u>3,214,827</u>	<u>-</u>	<u>1,041,601</u>	<u>-</u>
<b>Net Profit / Loss</b>	<b><u>1,302,582</u></b>	<b><u>-</u></b>	<b><u>(278,944)</u></b>	<b><u>-</u></b>
<b>Share of Modaraba @ 51%</b>	<b><u>664,317</u></b>	<b><u>-</u></b>	<b><u>(142,261)</u></b>	<b><u>-</u></b>
<b>Ijarah Rental Paid</b>	<b>(1,912,996)</b>	<b>-</b>	<b>(704,165)</b>	<b>-</b>
<b>Share of Investor in Ijarah Rental based on Depreciation</b>	<b><u>152,615</u></b>	<b><u>-</u></b>	<b><u>28,994</u></b>	<b><u>-</u></b>
	<u>(1,760,381)</u>	<u>-</u>	<u>(675,171)</u>	<u>-</u>
<b>Profit / Loss from Generator Project FPM Share</b>	<b><u>(1,096,064)</u></b>	<b><u>-</u></b>	<b><u>(817,432)</u></b>	<b><u>-</u></b>
<b>49% Profit of the Investor</b>	<b>638,265</b>	<b>-</b>	<b>(136,683)</b>	<b>-</b>

## 7. 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 28th 2009.

8. Figures have been rounded off nearest to rupee.

Chief Executive Officer

Director

Director