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Mission & Vision

1. It is our firm commitment to operate the Modaraba activities in accordance with Islamic Sharia with its true spirit.
2. To employ the Modaraba funds is 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.



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 are forwarding herewith Half Yearly unaudited financial statements of First Paramount Modaraba for the period ended 31st December 2008 together with review report of the statutory auditors M/s: M. Yousuf Adil Saleem & Company, Chartered Accountants.

It is heartening to report that by the Grace of Allah Al Mighty your Modaraba has made a profit of Rs. 11, 511, 799 or Rs. 1.96 per Modaraba Certificate for the half year ended 31st December 2008 compared to Rs. 6, 908, 274 or Rs. 1.18 per Modaraba Certificate of the previous year's financial tenure which indicates an increase of about 67% of profit for the period under review.

The above profit for the current period includes a capital gain of Rs. 5, 026, 937 on account of sale of all the assets of Banaras Chowk CNG station on 1st August 2008. The net capital gain per Modaraba Certificate comes to Re. 0.73 after providing 5% for charity and 10% for Modaraba Company's Management Fee.

We have established a separate wing of Modaraba as Advance Trading Corporation for initially looking after Generators Rental and Trading Project. The performance of Generators Rental business is very satisfactory for the period under review, whereas Trading in Generators is expected to be commenced within next few weeks.

There is a loss of Rs.306,017 from Generators Rental business as reflected in half yearly unaudited Profit and Loss Accounts, since we arranged 3 Generators on Ijarah and paid Ijarah Rentals of Rs.1,208,831/- during the period. If we could have arranged cash investment for these 3 Generators, the Modaraba would have earned a profit of Rs. 779,193/- instead of a loss of Rs.306,107/-.

In the last we want to place on high-side the cooperation of the Registrar Modarabas, Securities And Exchange Commission of Pakistan, State Bank of Pakistan and staff members of Modaraba.

for and on behalf of Board

Abdul Ghaffar Umer
Chief Executive

Date: February 24, 2009



AUDITORS' REPORT TO THE CERTIFICATE HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of First Paramount Modaraba as at December 31, 2008, and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity (here-in-after referred to as the 'condensed interim financial information') for the six months then ended. Management Company is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim balance sheet, condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the quarters ended December 31, 2008 and 2007 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2008 and 2007.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standard on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2008 is not prepared, in accordance with approved accounting standards as applicable in Pakistan.

Chartered Accountants

Karachi

Date: February 24, 2009



CONDENSED INTERIM BALANCE SHEET
as at December 31, 2008

	Note	(Un-audited) December 31, 2008 Rupees	(Audited) June 30, 2008 Rupees
ASSETS			
Current Assets			
Cash and bank balances		13,797,261	12,626,394
Current portion of long term murabaha finance		51,596,692	37,777,519
Short term murabaha finance		55,316,313	48,898,432
Musharaka finance		2,100,000	3,150,000
Stock in trade		669,188	968,513
Trade debtors		1,678,404	1,389,467
Accrued profit		1,174,811	1,212,817
Advances, prepayments and other receivables		1,250,040	1,081,713
		127,582,709	107,104,855
Non Current Assets			
Murabaha finance		34,953,740	41,271,905
Long term deposits		3,576,957	3,576,957
Property, Plant and Equipment	4	53,959,778	53,830,034
		92,490,475	98,678,896
Total Assets		220,073,184	205,783,751
LIABILITIES			
Current Liabilities			
Creditors, accrued and other liabilities		8,461,901	9,778,173
Current portion of long term murabaha finance		33,696,385	42,500,412
Short term murabaha finance		36,458,344	14,687,787
Profit payable on murabaha finance		5,637,351	5,354,356
Payable to modaraba management company		2,652,356	2,263,267
Provision for taxation		-	30,000
Unclaimed dividend		12,363,938	4,284,676
		99,270,274	78,898,671
Non Current Liabilities			
Long term murabaha finance		7,531,749	17,037,641
Security deposits		317,242	283,569
Deferred liabilities - staff gratuity		693,845	606,927
		8,542,836	17,928,137
Total Liabilities		107,813,111	96,826,808
NET ASSETS		112,260,075	108,956,943
REPRESENTED BY:			
Certificate capital		58,633,330	58,633,330
Capital reserves		41,228,406	41,228,406
Unappropriated profit		12,398,339	9,095,208
		112,260,075	108,956,943
Contingency and commitments	5		

The annexed notes from 1 to 11 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
for the half year ended December 31, 2008**

	Notes	Half Year Ended		Quarter Ended	
		December 31, 2008 Rupees	December 31, 2007 Rupees	December 31, 2008 Rupees	December 31, 2007 Rupees
REVENUE					
Profit on murabaha / musharaka finance		11,120,478	7,908,495	5,988,357	4,243,664
Profit from CNG project	6	6,197,916	5,348,021	2,327,982	2,313,230
Profit / (loss) from generator project	7	(306,017)	-	(306,017)	-
Profit on bank deposits		93,431	67,370	83,824	66,118
Musharaka management fee		294,905	254,466	110,768	110,067
Other income		175,185	88,411	157,485	63,010
		17,575,898	13,666,763	8,362,398	6,796,089
EXPENSES					
Operating expenses		4,096,088	2,921,691	2,170,671	1,752,458
Profit to murabaha investors		4,996,861	3,069,212	2,394,641	1,548,686
Provision for doubtful recoveries		500,000	-	500,000	-
Other provisions		205,178	-	-	-
		(9,798,127)	(5,990,903)	(5,065,312)	(3,301,144)
Operating profit		7,777,771	7,675,860	3,297,086	3,494,945
Gain on disposal of property, plant and equipment		5,013,116	-	251,347	-
Net profit		12,790,887	7,675,860	3,548,433	3,494,945
Modaraba company's management fee		1,279,089	767,586	354,843	349,494
Profit before taxation		11,511,799	6,908,274	3,193,590	3,145,450
Taxation		-	-	-	-
Profit for the year		11,511,799	6,908,274	3,193,590	3,145,450
Earnings per certificate (Basic and diluted)		1.96	1.18	0.54	0.54

The annexed notes from 1 to 11 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
for the half year ended December 31, 2008

	Half Year Ended		Quarter Ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	11,511,799	6,908,274	3,193,590	3,145,450
Adjustments for:				
Profit on Murabaha finance	4,996,861	3,069,212	2,394,641	1,649,981
Depreciation	1,590,701	1,579,696	850,119	811,072
Provision for gratuity	200,867	121,840	79,019	80,239
Gain on sale of property, plant and equipment	(5,013,116)	-	(5,013,116)	-
Provision for doubtful recoveries	500,000	300,000	500,000	300,000
Other provisions	205,178	-	-	-
	<u>13,992,290</u>	<u>11,979,022</u>	<u>2,004,253</u>	<u>5,986,748</u>
(Increase) / decrease in current assets				
Stock in trade	299,325	2,358	20,429	(205,587)
Trade debtors	(288,937)	527,708	134,848	765,542
Accrued profit	38,006	(840,790)	(111,584)	(1,223,289)
Advances, prepayments and other receivables	(403,505)	(301,440)	(141,353)	(183,270)
	(355,111)	(612,164)	(97,660)	(846,604)
(Decrease) / increase in current liabilities				
Creditors, accrued and other liabilities	(1,316,272)	1,112,945	(6,433,401)	1,706,635
Payable to modaraba management company	389,089	2,313,309	(1,241,539)	2,306,473
	(927,183)	3,426,254	(7,674,940)	4,013,108
Cash generated from operations	12,709,995	14,793,112	(5,768,347)	9,153,252
Staff gratuity paid	(113,948)	(47,511)	(96,948)	(5,907)
Net cash flow from / (used in) operating activities	<u>12,596,048</u>	<u>14,745,601</u>	<u>(5,865,295)</u>	<u>9,147,345</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(7,295,834)	(1,230,348)	(273,704)	89,416
Proceeds from sale of property, plant and equipment	10,588,505	-	10,588,505	-
Long term Murabaha finance	(8,001,008)	(14,254,934)	(1,564,097)	(10,319,918)
Musharaka finance	1,050,000	800,000	-	1,000,000
Short-term Murabaha finance	(6,417,881)	(3,826,354)	-	(11,339,116)
Net cash flow (used in) / from investing activities	<u>(10,076,218)</u>	<u>(18,511,636)</u>	<u>8,750,704</u>	<u>(20,569,618)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Profit paid on Murabaha financing	(4,713,866)	(1,194,794)	(2,727,951)	(2,138,234)
Long term Murabaha finance	(18,309,919)	403,129	(12,586,022)	2,200,839
Short-term Murabaha finance	21,770,557	9,771,600	13,068,091	13,592,483
Security deposit	33,673	-	33,673	-
Dividend paid	(129,408)	(2,341,502)	(129,408)	(2,279,988)
Net cash used in financing activities	<u>(1,348,963)</u>	<u>6,638,433</u>	<u>(2,341,617)</u>	<u>11,375,100</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,170,867	2,872,398	543,792	(47,173)
Cash and cash equivalents at beginning of the period	12,626,394	10,503,949	13,253,469	13,423,520
Cash and cash equivalents at end of the period	<u>13,797,261</u>	<u>13,376,347</u>	<u>13,797,261</u>	<u>13,376,347</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
for the half year ended December 31, 2008**

	RESERVES					
	CAPITAL			REVENUE		
	Certificate Capital	Merger Reserve	Statutory Reserve	Revaluation Reserve	Unappropriated Profit	Total
	< ----- Rupees ----- >					
Balance at June 30, 2007	58,633,330	1,935,160	15,883,835	19,701,591	6,893,294	103,047,210
Profit distribution @ Rs. 1.10 per certificate declared for the year ended June 30, 2007	-	-	-	-	(6,449,666)	(6,449,666)
Profit for the quarter ended September 30, 2007	-	-	-	-	3,762,823	3,762,823
Balance at September 30, 2007	58,633,330	1,935,160	15,883,835	19,701,591	4,206,451	100,360,367
Profit for the quarter ended December 31, 2007	-	-	-	-	3,145,450	3,145,450
Balance at December 31, 2007	58,633,330	1,935,160	15,883,835	19,701,591	7,351,902	103,505,818
Profit for the half year ended June 30, 2008	-	-	-	-	5,451,124	5,451,124
Transferred to statutory reserve	-	-	3,707,820	-	(3,707,820)	-
Balance at June 30, 2008	58,633,330	1,935,160	19,591,655	19,701,591	9,095,206	108,956,942
Profit distribution @ 1.40 per certificate declared for the year ended June 30, 2008	-	-	-	-	(8,208,666)	(8,208,666)
Profit for the quarter ended September 30, 2008	-	-	-	-	8,318,209	8,318,209
Balance at September 30, 2008	58,633,330	1,935,160	19,591,655	19,701,591	9,204,749	109,066,485
Profit for the quarter ended December 31, 2008	-	-	-	-	3,193,590	3,193,590
Balance at December 31, 2008	58,633,330	1,935,160	19,591,655	19,701,591	12,398,339	112,260,075

The annexed notes from 1 to 11 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 half year ended December 31, 2008**

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. 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.
- 1.2** The Modaraba obtained CNG operators license in January, 1999 from Director General Gas, Government of Pakistan 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. SIGNIFICANT ACCOUNTING POLICIES

The 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.



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, therefore, till the resolution of the matter Modaraba is not adopting 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. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2008 Rupees	December 31, 2007 Rupees
Operating fixed assets	51,879,717	44,429,099
Capital work in progress	2,080,061	3,962,872
Assets Held For Sale	-	5,438,063
	<u>53,959,778</u>	<u>53,830,034</u>

First Paramount Modaraba
(An Islamic Financial Institution)



4.1 Detail of additions and disposals in operating fixed assets

	Additions		Disposals	
	(Unaudited) December 31, 2008	(Audited) December 31, 2007	(Unaudited) December 31, 2008	(Audited) December 31, 2007
	< ----- Rupees ----- >			
Tangible Fixed Assets				
Palnt and machinery	8,424,645	28,003	-	-
Computers	25,500	67,238	-	-
Office equipment	-	39,555	-	-
Vehicles	728,497	17,400	137,321	-
	<u>9,178,642</u>	<u>152,196</u>	<u>137,321</u>	<u>-</u>

4.2 Detail of additions and transfers of capital work in progress

	Additions		Transfers	
	(Unaudited) December 31, 2008	(Audited) December 31, 2007	(Unaudited) December 31, 2008	(Audited) December 31, 2007
	< ----- Rupees ----- >			
Civil work	341,890	1,078,152	-	-
Capital work in process	8,119,554	-	9,074,468	-
	<u>8,461,444</u>	<u>1,078,152</u>	<u>9,074,468</u>	<u>-</u>

5. CONTINGENCY AND COMMITMENTS

5.1 Contingency

Performance guarantee of Rs.8,478,000/- (June 30, 2008: Rs. 8,478,000) issued by a bank to Sui Southern Gas Company Limited on behalf of the Modaraba.

5.2 Commitments

Commitments for operating lease rentals payable in future.

	December 31, 2008 Rupees	December 31, 2007 Rupees
Not later than one year	4,792,746	2,595,633
Later than one year but not later than five years	9,280,520	11,890,000



6. PROFIT ON CNG PROJECT

Particulars	Half Year Ended		Quarter Ended	
	December 31, 2008 Rupees	December 31, 2007 Rupees	December 31, 2008 Rupees	December 31, 2007 Rupees
Gas filling	67,584,761	61,137,440	31,362,991	28,377,538
Conversion income	2,040,500	1,447,151	356,000	646,701
Profit on bank deposit	368,778	-	368,778	-
Other income	196,608	197,002	191,108	191,652
	<u>70,190,647</u>	<u>62,781,593</u>	<u>32,278,877</u>	<u>29,215,891</u>
Less: Gas	34,255,001	28,911,138	16,188,021	13,288,250
Diesel	6,213,098	5,526,476	2,812,214	2,456,405
Electricity	3,739,378	3,729,740	2,045,800	1,659,030
Kits and cylinders	1,674,000	1,288,391	302,030	536,926
Store and spares	75,780	-	75,780	-
Franchise fee	6.1 -	1,284,012	-	653,430
	<u>45,957,257</u>	<u>40,739,757</u>	<u>21,423,845</u>	<u>18,594,041</u>
Gross profit	24,233,390	22,041,836	10,855,032	10,621,850
Less: Operating expenses				
Salaries, allowances and benefits	3,264,201	2,944,274	1,499,885	1,464,073
Repairs and maintenance	1,267,193	1,512,702	890,318	701,047
Rent, rates and taxes	2,747,170	2,457,218	1,480,414	1,217,000
Depreciation	1,952,591	2,083,485	976,888	1,053,271
Other expenses	1,732,904	2,539,897	875,178	1,642,952
5% Charity	608,679	525,213	228,624	227,175
15% Pak CNG management fee	1,734,734	1,496,857	651,578	647,450
3% Modaraba's management fee	294,905	254,466	110,768	110,067
	<u>13,602,377</u>	<u>13,814,112</u>	<u>6,713,653</u>	<u>7,063,035</u>
Net profit before tax	10,631,013	8,227,724	4,141,379	3,558,815
Less: With Holding tax	(1,095,757)	-	(559,869)	-
Net profit of the Modaraba	<u>9,535,256</u>	<u>8,227,724</u>	<u>3,581,510</u>	<u>3,558,815</u>
Appropriation:				
Share of the Modaraba @ 65%	6,197,916	5,348,021	2,327,982	2,313,230
Share of Investor Group @ 35%	3,337,340	2,879,703	1,253,529	1,245,585

6.1 There is no franchise fees as the said CNG station has been disposed off.



7. PROFIT / (LOSS) FROM GENERATOR PROJECT

	Note	Half Year Ended	
		December 31, 2008 Rupees	December 31, 2007 Rupees
Particulars			
Rental income		3,754,752	-
Less: Operating expenses			
Salaries, allowances and benefits		898,481	-
Repairs and maintenance		102,067	-
Rent, rates and taxes		125,000	-
Depreciation		190,032	-
Other expenses		547,123	-
5% Charity		94,602	-
15% Modaraba's management fee		269,617	-
		2,226,922	-
Net profit from generator project		1,527,830	-
Share of Modaraba @ 51%		779,193	-
Adjustments:	7.1		
Ijarah rentals paid		(1,208,831)	-
Share of investor in ijarah rental based on depreciation as per agreement		123,621	-
		(1,085,210)	-
Loss from generator project		(306,017)	-

7.1 As per our agreement the Modaraba will bear 100% cost of Ijarah rentals to be paid against three generators obtained under Ijarah financing whereas the investor will share depreciation cost of these 3 generators to extend of 49%.



8. TRANSACTIONS WITH RELATED PARTIES

Related party mainly includes Modaraba Management Company. Transaction with related party during the period is as follows: -

Relationship with Modaraba	Nature of Transactions	(Unaudited) December 31, 2008	(Unaudited) December 31, 2007
Management company	Accrual of management fee	1,279,089	767,586
	Payment of management fee	-	1,304,280
	Borrowings from management company	-	2,850,000

9. MANAGEMENT FEES

Provision for management fees is provisional. Final liability would be determined on the basis of annual results.

10. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Management Company and authorised for issue on February 24, 2009.

11. GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Director

Director