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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. 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. Masood Ahmed Shaikh	Director
Mr. Nadeem Iqbal	Director
Mr. Ibrahim Qassim	Director

Mr. Abdul Ghaffar Umer Chief Executive Officer

Mr. Shakeel Khan General Manager

Mr. Mazhar-ul-Haq Siddiqui Company Secretary

Mr. Naseemuddin Zubairi Chief Financial Officer

### AUDIT COMMITTEE

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

### MANAGEMENT COMMITTEE

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

### FIRST SHARIAH CERTIFIED MODARABA

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

We are pleased to forward herewith Third Quarterly unaudited financial statements of First Paramount Modaraba for the period ended 31st March 2010 with operating profit of Rs.11,996,075 or Rs.2.04 per Modaraba Certificate.

The operating profit of 9 months period of previous financial year was Rs.10,453,046 or Rs.1.78 per certificate (without capital gain) which indicates that our income for the period under review increased by 26 paise per certificate or 15% over the previous fiscal period.

Our operating profit for the 3rd quarter of the current period under review mitigated by about Re.0.18 per certificate mainly due to (i) reduction of profit on account of CNG Musharika project and (ii) income through Morabaha financing.

We anticipate some improvement in Morabaha financing income and profit from generators rental project in the 4th quarter of the financial year, but no improvement is expected in income from CNG Musharika project due to tough competition amongst CNG station operators and uncertainty about government policy regarding gas supply for CNG stations.

We feel obliged to put on record our appreciation for Registrar Modarabas - Securities And Exchange Commission of Pakistan and State Bank of Pakistan for their valued guidance and co-operation. We also applaud the sincere efforts put in by our staff members to improve the performance of Modaraba.

for and on behalf of Board

**Abdul Ghaffar Umer**  
Chief Executive Officer

Date: April 27, 2010

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



**BALANCE SHEET**  
as at March 31, 2010 (Un-Audited)

	Note	Unaudited 31-March 2010	Audited 30-June 2009
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Bank Balances		19,384,153	17,113,256
Current Portion of Long Term Morabaha Finance		41,303,921	47,974,253
Short Term Morabaha Finance		44,100,115	52,824,449
Stock In Trade		740,146	3,137,230
Store & Spares		205,134	-
Trade Debtors		858,521	1,377,999
Accrued Profit		1,031,991	555,596
Advances, Prepayments and Other Receivables		10,191,864	1,800,419
<b>Total Current Assets</b>		<b>117,815,844</b>	<b>124,783,202</b>
Morabaha Finance		14,795,110	20,041,459
Long Term Deposit		2,963,157	3,125,657
Property, Plant and Equipment		57,142,898	59,509,743
<b>Total Assets</b>		<b>192,717,008</b>	<b>207,460,061</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors, Accrued and Other Liabilities		16,973,645	9,265,444
Current Portion of Long Term Morabaha Finance		2,238,981	19,924,695
Short Term Morabaha Finance		41,544,308	46,498,640
Profit Payable on Morabaha Finance		1,859,460	4,683,318
Payable to Modaraba Management Company		2,093,987	1,980,929
Unclaimed Dividend		5,628,326	4,741,806
<b>Total Current Liabilities</b>		<b>70,338,707</b>	<b>87,094,832</b>
<b>Non Current Liabilities</b>			
Long Term Morabaha Finance		-	536,244
Security Deposits		361,362	315,212
Deferred Liabilities - Staff Gratuity		-	667,908
<b>TOTAL LIABILITIES</b>		<b>70,700,070</b>	<b>88,614,196</b>
<b>NET ASSETS</b>		<b>122,016,939</b>	<b>118,845,865</b>
<b>REPRESENTED BY :</b>			
Certificate Capital		58,633,330	58,633,330
Capital Reserves		50,277,200	50,277,200
Unappropriated Profit		13,106,409	9,935,335
		<b>122,016,939</b>	<b>118,845,865</b>

The annexed notes from 1 to 10 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, 2010 (Un-Audited)

	Note	9 Months		Quarter	
		July-March 2010 Rupees	July-March 2009 Rupees	Jan-March 2010 Rupees	Jan-March 2009 Rupees
<b>Revenue</b>					
Profit on Morabaha Finance		15,118,660	17,060,996	4,469,780	5,940,518
Profit on CNG Project					
Musharika Finance	6	8,577,957	9,029,742	1,789,360	2,831,826
Profit/Loss on Generator Project	7	831,532	(1,096,064)	90,691	(790,047)
Profit on Bank Deposits		59,260	100,396	5,663	6,965
3% Musharika Management Fee		466,234	429,647	91,475	134,742
Gain on disposal of property, plant & equipment		65,460	5,013,116	(9,843)	-
Other Income		37,498	178,685	12,000	3,500
		25,156,601	30,716,518	6,449,126	8,127,503
<b>Expenses</b>					
Operating Expenses		5,578,865	5,767,830	1,909,840	1,671,742
Profit To Morabaha Investors		6,015,162	7,615,897	1,845,896	2,619,036
Provision for doubtful recoveries		-	500,000	-	-
Other Provision		-	205,178	-	-
Worker's Welfare Fund		266,935	-	51,151	-
		11,860,962	14,088,905	3,806,887	4,290,778
Operating Profit		13,295,639	16,627,613	2,642,239	3,836,725
Modaraba Company's Management Fee		(1,329,564)	(1,662,761)	(264,224)	(383,673)
Profit before Taxation		11,966,075	14,964,852	2,378,015	3,453,053
Taxation		-	-	-	-
Profit for the Year		11,966,075	14,964,852	2,378,015	3,453,053
Earnings per Certificate (Basic and diluted)		2.04	2.55	0.41	0.59

The annexed notes from 1 to 10 form an integral part of these financial statements.

Chief Executive Officer

Director

Director

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



**CASH FLOW STATEMENT**  
for the period ended March 31, 2010 (Un-Audited)

	Mar-10	Jun-09
	----- Rupees -----	-----
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	11,966,075	18,097,587
Adjustments for:		
Profit on morabaha finance	6,015,162	10,462,595
Depreciation	3,000,898	2,765,047
Provision for gratuity	(57,240)	77,981
Gain on sale of property, plant and equipment	(65,460)	(5,013,116)
Provision for doubtful recoveries	-	1,944,297
Other Provisions	266,395	(30,000)
	21,125,831	28,304,391
(Increase) / decrease in current assets		
Stock in trade	2,191,950	(2,168,717)
Trade debtors	519,478	11,468
Accrued profit	(476,395)	657,221
Advances, prepayments and other receivables	(8,391,445)	(718,706)
	(6,156,411)	(2,218,734)
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	7,637,157	(481,086)
Payable to modaraba management company	113,058	(282,338)
	7,750,215	(763,424)
Cash generated from operations	22,719,634	25,322,233
Staff gratuity paid	(610,667)	(17,000)
Net cash flow from operating activities	22,108,967	25,305,233
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,441,226)	(14,050,139)
Proceeds from sale of property, plant and equipment	1,723,430	10,588,500
Long term morabaha finance	11,916,682	9,119,415
Musharika Finance	-	3,150,000
Long-term deposits	162,500	451,300
Short-term morabaha finance - net	8,724,334	(3,926,017)
Net cash flow from / (used in) investing activities	20,085,720	5,333,059
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit paid on morabaha financing	(8,839,020)	(11,133,633)
Long term morabaha finance - net	(18,221,958)	(39,077,114)
Short-term morabaha finance - net	(4,954,332)	31,810,853
Dividend paid	(7,908,480)	(7,751,536)
Net cash used in financing activities	(39,923,790)	(26,151,430)
Net increase in cash and cash equivalents (A+B+C)	2,270,897	4,486,862
Cash and cash equivalents at the beginning of the year	17,113,256	12,626,394
Cash and cash equivalents at the end of the year	19,384,153	17,113,256

The annexed notes from 1 to 10 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



**STATEMENT OF CHANGES IN EQUITY**  
for the period ended March 31, 2010 (Un-Audited)

	CAPITAL		RESERVES		REVENUE	
	Share Capital	Merger Reserve	Statutory Reserve	Revaluation Reserve	Unappropriated Profit	Total
	< ----- Rupees ----- >					
<b>Balances as at June 30, 2008</b>	58,633,330	1,935,160	19,591,655	19,701,591	9,095,206	108,956,942
Profit Distribution Declared for the year ended June 30, 2008	-	-	-	-	(8,208,666)	(8,208,666)
Profit for the year 2008-09	-	-	-	-	18,097,587	18,097,587
Transferred to Statutory Reserve			9,048,794		(9,048,794)	-
<b>Balances as at June 30, 2009</b>	58,633,330	1,935,160	28,640,449	19,701,591	9,935,334	118,845,863
Profit Distribution Declared for the Year ended June 30, 2009	-	-	-	-	(8,795,000)	(8,795,000)
Profit for the quarter ended March 31, 2010	-	-	-	-	11,966,076	11,966,076
<b>Balances as at March 31, 2010</b>	58,633,330	1,935,160	28,640,449	19,701,591	13,106,409	122,016,939

The annexed notes from 1 to 10 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL  
INFORMATION (UN-AUDITED)**  
for the quarter ended 31 March 2010

**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. 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 under the project name, Advance Trading Corporation (ATC) .
- 1.2 Modaraba obtained CNG operators license in January, 1999 from Director General Gas, Government of Pakistan and is operating 2 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**

These interim financial information have been prepared in accordance with the requirements of the Modaraba Companies & Modaraba (Floatation & Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities & Exchange Commission of Pakistan ["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) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountant of Pakistan (ICAP), as are notified under the provisions of the Companies Ordinance, 1984 and made applicable to Modarabas. Wherever the requirements of "the Modaraba Regulations" differ from the requirements of these standards, the requirements of "the Modaraba Regulations" take precedence. The disclosures made in these interim financial information have however been limited based on the requirement of International Financial Accounting Standard 34, 'Interim Financial Reporting'.



### 3. BASIS OF PREPARATION

These financial statements have been prepared under the "historical cost convention" except for lease hold land which have been include at revalued amount.

### 4. 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, 2009.

In the current period, the Modaraba has adopted following Standards issued by the IASB and as notified by the Securities and Exchange Commission of Pakistan that are relevant to its operations and effective for Modaraba's accounting period beginning on July 01, 2009: -

**Effective for  
accounting period  
beginning on or after**

- IAS 1 (revised) - Presentation of Financial Statements    January 01, 2009
- IFRS 8 Operating Segments    January 01, 2009

Adoption of above mentioned standards will have no impact on the modaraba's financial statements except presentation. Full disclosure of IFRS - 8 would be disclosed in annual financial statements.

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

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



**6. Profit on CNG Project Musharika**

	9 Months		Quarter	
	July-March 2010	July-March 2009	Jan-March 2010	Jan-March 2009
	Rupees	Rupees	Rupees	Rupees
Gas Filling	97,546,701	101,232,238	30,699,446	33,647,477
Conversion	884,100	2,265,000	128,500	224,500
Profit on Bank Deposit	279,288	368,778	-	-
Others	314,000	201,108	78,100	4,500
	99,024,089	104,067,124	30,906,046	33,876,477
Less:				
Electricity Charges	9,732,649	5,657,078	3,271,683	1,917,700
Diesel & Oil	1,567,654	8,643,558	210,430	2,430,460
Gas	53,048,608	52,545,206	17,981,571	18,290,205
Store and spares	86,645	125,136	30,585	49,356
Consumption-Kits & Cylinders	812,498	1,870,305	107,258	196,305
	65,248,054	68,841,283	21,601,527	22,884,026
<b>Gross Profit</b>	<b>33,776,035</b>	<b>35,225,841</b>	<b>9,304,519</b>	<b>10,992,451</b>
<b>Less: Operating Expenses</b>				
Salaries & Allowances / Other Benefits	4,952,092	4,669,169	1,508,602	1,404,968
Water Charges	143,800	132,325	43,400	42,000
Repairs & Maintenance	1,078,616	1,938,648	476,960	726,733
Rent, Rates & Taxes	3,486,672	3,710,641	1,096,472	939,000
Travelling & Entertainment	153,274	148,724	37,954	49,627
Vehicle Running & Maintenance	317,610	115,183	249,760	31,338
Printing & Stationery	124,216	148,986	11,596	102,959
Communication	82,211	100,340	27,245	28,854
Insurance	280,523	274,584	93,485	84,730
Legal & Professional	-	31,000	-	-
Fee & Subscription	512,668	219,514	367,884	133,700
Advertisement & Publicity	58,817	13,116	5,600	2,366
Bank Charges	67,957	68,204	50,539	4,008
Lease Rental	684,037	852,853	123,743	291,294
Depreciation	2,571,740	2,670,402	865,821	717,811
Miscellaneous	716,514	715,626	255,685	285,867
5% charity	842,415	886,784	175,728	278,105
15% Pak CNG Management Fee	2,400,884	2,527,334	500,824	792,599
3% Modaraba's Management Fee	408,150	429,647	85,140	134,742
	18,882,196	19,653,079	5,976,438	6,050,701
<b>Profit before Tax</b>	<b>14,893,839</b>	<b>15,572,762</b>	<b>3,328,081</b>	<b>4,941,750</b>
<b>Less: Withholding Tax</b>	<b>(1,696,982)</b>	<b>(1,680,852)</b>	<b>(575,219)</b>	<b>(585,095)</b>
<b>Net Profit after Tax</b>	<b>13,196,857</b>	<b>13,891,910</b>	<b>2,752,862</b>	<b>4,356,655</b>
<b>Appropriation:</b>				
Share of Modaraba 65%	8,577,957	9,029,742	1,789,360	2,831,826
Share of Investor Group 35%	4,618,900	4,862,169	963,502	1,524,829

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



**7. Profit/Loss on Generator Project Musharika**

	9 Months		Quarter	
	July-March 2010 Rupees	July-March 2009 Rupees	Jan-March 2010 Rupees	Jan-March 2009 Rupees
Rental Income	10,571,821	4,517,409	2,550,333	762,657
Trading Income	117,340	-	14,900	-
Other Income	802,525	-	638,525	-
Gain / Loss on sale of Fixed Assets	(286,436)	-	(286,436)	-
	<u>11,205,250</u>	<u>4,517,409</u>	<u>2,917,322</u>	<u>762,657</u>
<b>Less: Operating Expenses</b>				
Salaries & Allowances / Other Benefits	1,995,510	1,359,805	644,427	461,324
Repairs & Maintenance	2,506,582	213,434	553,913	111,367
Insurance	531,297	364,219	174,101	181,640
Transportation	672,453	-	165,500	-
Rent, Rates & Taxes	615,000	200,000	75,000	75,000
Advertisement & Publicity	296,789	178,584	140,820	47,310
Printing & Stationery	32,249	36,097	3,809	11,512
Communication	21,269	17,374	5,200	10,226
Legal & Professional	45,000	-	15,000	-
Utilities	45,768	37,572	13,620	10,164
Depreciation	1,871,681	288,713	505,315	98,681
Miscellaneous	533,622	208,506	398,339	34,377
5% charity	101,902	80,655	11,114	(13,947)
3% Modaraba's Management Fee	58,084	-	6,335	-
15% ATC Management Fee	281,707	229,867	30,724	(39,750)
	<u>9,608,912</u>	<u>3,214,827</u>	<u>2,743,217</u>	<u>987,904</u>
<b>Net Profit / Loss</b>	<u><b>1,596,338</b></u>	<u><b>1,302,582</b></u>	<u><b>174,105</b></u>	<u><b>(225,247)</b></u>
<b>Share of Modaraba @ 52.09%</b>	<b>831,532</b>	<b>664,317</b>	<b>90,691</b>	<b>(117,331)</b>
<b>Ijarah Rental Paid</b>	<b>-</b>	<b>(1,912,996)</b>	<b>-</b>	<b>(704,165)</b>
<b>Share of Investor in Ijarah Rental based on Depreciation</b>	<b>-</b>	<b>152,615</b>	<b>-</b>	<b>31,449</b>
	<u>-</u>	<u>(1,760,381)</u>	<u>-</u>	<u>(672,716)</u>
<b>Profit / Loss from Generator Project FPM Share</b>	<u><b>831,532</b></u>	<u><b>(1,096,064)</b></u>	<u><b>90,691</b></u>	<u><b>(790,047)</b></u>
<b>47.91% Profit of the Investor</b>	<b>764,806</b>	<b>638,265</b>	<b>83,414</b>	<b>(107,916)</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 27, 2010.

**10. GENERAL**

Figures have been rounded off to the nearest Rupee.

Chief Executive Officer

Director

Director