



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 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 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

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

Mr. Pir Mohammad A. Kaliya	Chairman
Mr. Nadeem Iqbal	Director
Mr. Abid Aziz	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

by
Mufti Abdul Sattar Laghari (Map) Sharia Advisor

CREDIT RATING

FOR LONG TERM 'BBB'
FOR SHORT TERM A-3
OUT LOOK - STABLE
BY JCR VIS CREDIT RATING COMPANY



DIRECTORS' REPORT TO THE CERTIFICATE HOLDERS

We feel great pleasure to present 1st Quarterly un-audited financial statements of your Modaraba for the period ended 30th: September, 2011 with an earning per certificate of Rs.1.01 or profit of Rs.5,902,103/- for the period under review.

The operating income for the period increased by 75% to Rs.12,100,741 from Rs.6,932,063 of the previous fiscal period, mainly due to enhancement in the revenue from Morabaha financing.

A substantial improvement is also registered in the income from Generators' Project which escalated to Rs.1,000,590/- or by 175% over the corresponding period of the previous year of Rs.394,525.

Our financial cost for the period under review has marginally been elevated by about 14% or by Rs.183,454/- against the significant jump in the revenue through Morabaha financing against the comparative figures of previous fiscal period and consequently due to all these factors our profit for the period, by the Grace of Allah Al Mighty, increased by about 233% or by Rs.4,129,485 as compared to the profit of the previous fiscal period.

Certificate of Musharika:

We fixed a target to raise funds up to Rs.50 million against Certificates of Musharika (COM) upto 31st: December, 2011 and Rs.100 million upto 30th June, 2012, but we are pleased to inform you that we have been able to mobilise around Rs.59 million as of today and are very much optimistic to raise funds of about Rs.100 million in the first quarter of next calendar year, Insha Allah, which will further add to the profitability of your Modaraba.

We would like to thank to the Registrar Modarabas, Securities and Exchange Commission of Pakistan, Islamabad, and the State Bank of Pakistan for their consecutive support. It will not be amiss to mention here the vital performance as well as tendency towards work of our staff members.

for and on behalf of Board

Abdul Ghaffar Umer
Chief Executive Officer

Karachi:
Date: 28th October, 2011

First Paramount Modaraba
(An Islamic Financial Institution)



BALANCE SHEET
As at 30 September 2011 (Un-Audited)

	Notes	(Un-audited) Sept 30th 2011	(Audited) June 30th 2011
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	5	29,264,479	31,584,091
Long term murabaha receivable		82,570,988	82,024,347
Long term deposit		7,428	7,428
		<u>111,842,894</u>	<u>113,615,866</u>
CURRENT ASSETS			
Cash and bank balances		25,558,302	3,584,973
Current portion of long term murabaha receivable		99,439,742	98,781,450
Short term murabaha receivable		26,587,595	28,211,318
Stores and spares		508,753	441,498
Advances, prepayments and other receivables		1,571,442	800,501
		<u>153,665,834</u>	<u>131,819,740</u>
TOTAL ASSETS		<u>265,508,728</u>	<u>245,435,606</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Certificate Capital			
Authorised			
25,000,000 (30 June 2010: 25,000,000)			
certificates of Rs. 10 each		250,000,000	250,000,000
		<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid-up		58,633,330	58,633,330
Capital reserves		50,323,148	50,323,148
Unappropriated profit		27,172,693	35,049,425
		<u>136,129,171</u>	<u>144,005,903</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred murabaha income		36,528,436	38,965,268
Certificates of musharaka		8,284,062	850,836
		<u>44,812,498</u>	<u>39,816,104</u>
CURRENT LIABILITIES			
Creditors, accrued and other liabilities		6,281,441	6,132,502
Murabaha finance		19,537,813	32,481,590
Certificates of musharaka		36,487,125	11,810,008
Deferred murabaha income		1,227,796	1,819,029
Payable to Modaraba Management Company			
- a related party		762,221	2,878,626
Dividend Payable 2011-12		13,778,833	-
Unclaimed profit distribution		6,491,830	6,491,844
		<u>84,567,059</u>	<u>61,613,599</u>
TOTAL EQUITY AND LIABILITIES		<u>265,508,728</u>	<u>245,435,606</u>

The annexed notes 1 to 8 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



PROFIT AND LOSS ACCOUNT
for the period ended September 30, 2011 (Un-Audited)

	Notes	Sept-2011 Rupees	Sept-2010 Rupees
Operating income	6	12,100,741	6,932,063
Operating costs			
Provision for doubtful recoveries		316,836	-
Operating expenses	6	4,636,986	3,815,675
		<u>(4,953,822)</u>	<u>(3,815,675)</u>
		7,146,919	3,116,389
Other income	6	1,007,767	321,424
		8,154,686	3,437,813
Financial charges	6	(1,462,959)	(1,279,505)
Provision for worker's welfare fund		(133,835)	(43,166)
		<u>6,557,892</u>	<u>2,115,141</u>
Discontinuing Operations			
Profit / Loss from discontinued operations		-	(145,566)
Profit before Management Fee		6,557,892	1,969,575
Modaraba company's management fee		(655,789)	(196,958)
Profit for the Period		<u>5,902,103</u>	<u>1,772,618</u>
Earnings per certificate - basic and diluted			
		<u>1.01</u>	<u>0.30</u>
Continuing operations			
Earnings per certificate - basic and diluted		<u>1.01</u>	<u>0.32</u>
From discontinued operation		-	(0.02)

The annexed notes 1 to 8 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



CASH FLOW STATEMENT
for the period ended September 30, 2011 (Un-Audited)

	September 2011	September 2010
	Rupees	
Profit for the year	5,902,103	1,772,618
Adjustments for:		
Depreciation on property, plant and equipment	903,123	592,240
Provision for worker's welfare fund	133,835	43,166
Provision for doubtful recoveries	316,836	-
Financial charges	1,462,959	1,279,505
Gain on sale of assets in own use	<u>(162,976)</u>	<u>(145,747)</u>
Operating profit before working capital changes	8,555,880	3,541,782
<i>(Increase) / decrease in assets</i>		
- Stock in trade	-	(347,794)
- Stores and spares	(67,255)	-
- Trade debtors	-	-
- Advances, prepayments and other receivable	(770,941)	5,554,758
<i>Increase / (decrease) in liabilities</i>		
- Creditors, accrued and other liabilities	402,561	87,843
- Payable to Modaraba Management Company.	<u>(2,116,405)</u>	<u>(1,104,077)</u>
Net cash from operations	6,003,840	7,732,512
Increase / (decrease) in assets / liabilities of discontinued operation	-	(41,896)
Financial charges	<u>(1,850,420)</u>	<u>(1,881,924)</u>
Net cash (used in) / from operating activities	4,153,420	5,808,692
Cash flows from investing activities		
Murabaha receivable - net	(2,926,111)	(16,406,220)
Long term deposits	-	(3,907)
Capital expenditure including capital work in progress	(347,861)	(1,177,030)
Advance against disposal of CNG project	-	12,000,000
Sale proceeds of assets in own use	<u>1,927,330</u>	<u>128,000</u>
Net cash from investing activities	(1,346,642)	(5,459,157)
Cash flows from financing activities		
Murabaha financing repaid - net	(12,943,777)	(7,322,180)
Musharaka financing - net	32,110,343	-
Profit distributed	(14)	(57,097)
Net cash used in financing activities	19,166,552	(7,379,277)
Net (decrease) / increase in cash and cash equivalents	21,973,329	(7,029,742)
Cash and cash equivalents at beginning of the Quarter	3,584,973	30,310,261
Cash and cash equivalents at end of the Quarter	25,558,302	23,280,519

The annexed notes 1 to 8 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



STATEMENT OF CHANGES IN EQUITY
for the period ended September 30, 2011 (Un-Audited)

	CAPITAL				REVENUE	
	Share Capital	Merger Reserve	Statutory Reserve	Revaluation Reserve	Un-appropriated Profit	Total
	< ----- Rupees ----- >					
BALANCES AS AT JULY 1, 2010	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	-	-	-	-	(10,553,999)	(10,553,999)
Profit for the year ended June 30, 2011	-	-	-	-	27,795,840	27,795,840
Transferred to Statutory Reserve	-	-	13,897,920	-	(13,897,920)	-
Transferred to retained earnings	-	-	-	(19,701,591)	19,701,591	-
BALANCES AS AT JUNE 30, 2011	58,633,330	1,935,160	48,387,988	-	35,049,423	144,005,901
Profit Distribution Declared for the year ended June 30, 2011	-	-	-	-	(13,778,833)	(13,778,833)
Profit for the quarter ended September 30, 2011	-	-	-	-	5,902,103	5,902,103
BALANCES AS AT SEPTEMBER 30, 2011	58,633,330	1,935,160	48,387,988	-	27,172,693	136,129,171

The annexed notes 1 to 8 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



NOTES TO THE FINANCIAL STATEMENTS for the period ended September 30, 2011 (Un-Audited)

1. LEGAL STATUS AND OPERATIONS

First Paramount Modaraba ("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 ("the Management Company"), 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, generator rental and sale project under the name "AL-BURQ Associates" (formerly known as Advance Trading Corporation) and deployment of funds through murabaha and musharaka arrangements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board and Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Ordinance, 1984, provisions of and directives issued under Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and Modaraba Companies and Modaraba Rules, 1981 shall prevail.

The SECP, special compliance division, vide circular no. 10 of 2004 dated February 13, 2004 deferred the application of IAS 17 'Leases' to Modaraba till further orders.



2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the leasehold land which has been measured at revalued amount.

Permissible Islamic financial products including murabaha and musharaka have been used by the Modaraba. In line with the similar industry practices, the accounting and presentation of the same are in line with the substance of the transaction 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 financial statements.

2.3 Functional and presentation currency

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

3. The accounting policies and methods of computation followed in the preparation of the quarterly financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2011.
4. These interim financial statements are Unaudited and prepared as required under clause (xxi) of Code of Corporate Governance.



	Notes	Amount in Rupees	
		Sept 30 2011 (Un-audited)	June 30 2010 (Audited)
5. OPERATING FIXED ASSETS			
Assets in own use- tangible	5.1	29,202,147	29,453,331
Capital work in progress- at cost		62,332	2,130,760
		29,264,479	31,584,091
5.1 Additions and deletions made during the period are as follows:			
Additions during the period / year			
Plant and machinery		1,886,700	14,696,843
Furniture and fittings		-	-
Office equipment		-	11,600
Computer		-	20,255
Motor vehicles		-	598,390
		1,886,700	15,327,088
Deletions (at book value) during the period / year			
Plant and machinery		2,416,289	1,886,700
Office equipment		-	117,800
Motor vehicles		-	43,000
		2,416,289	2,047,500

First Paramount Modaraba

(An Islamic Financial Institution)



Note - 6 Segment revenue and results

	September 30th 2011 (Un-Audited)				September 30th 2010 (Un-Audited)			
	Generator project		Murabaha Financing	Total	Generator project		Murabaha Financing	Total
	Total	Modaraba's share			Total	Modaraba's share		
Revenue	5,800,390	3,021,423	9,079,318	12,100,741	4,722,183	2,459,785	4,472,278	6,932,063
Cost of sales	-	-	-	-	-	-	-	-
Gross profit	5,800,390	3,021,423	9,079,318	12,100,741	4,722,183	2,459,785	4,472,278	6,932,063
Operating expenses	(3,711,912)	(1,933,535)	(2,703,451)	(4,636,986)	(3,964,793)	(2,065,261)	(1,750,414)	(3,815,675)
Other operating income	-	-	1,007,767	1,007,767	-	-	321,424	321,424
Operating (loss) / profit	2,088,478	1,087,888	7,383,634	8,471,522	757,390	394,524	3,043,288	3,437,812
Finance costs	-	-	(1,462,959)	(1,462,959)	-	-	(1,279,505)	(1,279,505)
Total (loss)/ profit	2,088,478	1,087,888	5,920,675	7,008,563	757,390	394,524	1,763,783	2,158,307
Revenue								
Rental income	5,344,517	2,783,959	-	2,783,959	4,561,278	2,375,970	-	2,375,970
Trading income	-	-	-	-	76,905	40,060	-	40,060
Gain on sale of fixed assets	312,873	162,976	-	162,976	-	-	-	-
Miscellaneous income	143,000	74,489	-	74,489	84,000	43,756	-	43,756
Profit on murabaha finance	-	-	9,079,318	9,079,318	-	-	4,472,278	4,472,278
	5,800,390	3,021,423	9,079,318	12,100,741	4,722,183	2,459,785	4,472,278	6,932,063
Operating expenses								
Salaries, allowances and benefits	892,327	464,813	1,051,604	1,516,417	911,002	474,541	999,699	1,474,240
Electricity, gas and water	28,751	14,976	95,917	110,893	25,836	13,458	72,379	85,837
Repairs and maintenance	759,850	395,806	116,434	512,240	1,229,281	640,332	49,704	690,036
Insurance	131,860	68,686	44,674	113,360	196,903	102,567	25,057	127,624
Rent, rates and taxes	90,000	46,881	7,830	54,711	88,548	46,125	-	46,125
Travelling and entertainment	10,420	5,427.78	3,620	9,048	-	-	31,895.00	31,895
Transportation	360,200	187,628	116,088	303,716	132,150	68,837	114,716	183,553
Communications	14,170	7,381	50,057	57,438	22,452	11,695	59,686	71,381
Printing and stationery	11,671	6,079	56,369	62,448	33,326	17,360	17,082	34,442
Auditors' remuneration	15,000	7,814	30,000	37,814	-	-	-	-
Legal and professional	-	-	13,500	13,500	15,000	7,814	36,180	43,994
Fees and subscription	-	-	404,244	404,244	-	-	129,136	129,136
News papers and periodicals	-	-	2,485	2,485	-	-	1,520	1,520
Other expenses	21,008	10,943	60,923	71,866	74,701	38,912	66,301	105,213
Advertisement and publicity	56,392	29,375	133,300	162,675	132,997	69,278	20,000	89,278
Depreciation	742,401	386,717	516,406	903,123	893,034	465,181	127,059	592,240
5% charity	133,317	69,445	-	69,445	48,348	25,184	-	25,184
3% Modaraba's management fee	75,991	39,584	-	39,584	27,558	14,355	-	14,355
15% P.M Group/ Pak CNG management fee	368,555	191,980	-	191,980	133,657	69,622	-	69,622
	3,711,912	1,933,535	2,703,451	4,636,986	3,964,793	2,065,261	1,750,414	3,815,675
Other income								
Gain on sale of fixed assets	-	-	-	-	-	-	145,747	145,747
Profit on bank deposits	-	-	8,976	8,976	-	-	101,619	101,619
Modaraba's management fee	-	-	75,991	75,991	-	-	27,558	27,558
Miscellaneous income	-	-	922,800	922,800	-	-	46,500	46,500
	-	-	1,007,767	1,007,767	-	-	321,424	321,424
Finance cost								
Profit in Murabaha	-	-	989,826	989,826	-	-	1,250,026	1,250,026
Profit on Musharika	-	-	470,141	470,141	-	-	-	-
Bank charges	-	-	2,992	2,992	-	-	29,479	29,479
	-	-	1,462,959	1,462,959	-	-	1,279,505	1,279,505

First Paramount Modaraba
(An Islamic Financial Institution)



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 October 28 th 2011.

8. GENERAL

Figures have been rounded off to the nearest Rupee.

Chief Executive

Director

Director