

REPORTING TO THE CERTIFICATE HOLDERS ON REVIEW OF
FINANCIAL INFORMATION

First Paramount Modaraba

Condensed Interim Financial Information
For the half year ended December 31, 2009

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of First Paramount Modaraba as at December 31, 2009, and the related condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the six months then ended. Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim cash flow statement for the quarters ended December 31, 2009 and 2008 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2009 and 2008.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 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 Standards 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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Karachi

Dated: February 25, 2010

FIRST PARAMOUNT MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2009

	December 31, 2009	June 30, 2009
<i>Note</i>	<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Audited)</i>
ASSETS		
<i>Current Assets</i>		
Cash and bank balances	13,258,640	17,113,256
Current portion of long term murabaha finance	44,148,045	47,974,253
Short term murabaha finance	51,147,817	52,824,449
Stock in trade	1,845,776	3,137,230
Stores and spares	120,594	-
Trade debtors	1,310,980	1,377,999
Accrued profit	1,317,078	555,596
Advances, prepayments and other receivables	1,473,059	1,800,419
	<u>114,621,989</u>	<u>124,783,202</u>
<i>Non Current Assets</i>		
Murabaha finance	15,813,847	20,041,459
Long term deposits	3,125,657	3,125,657
Property, plant and equipment	59,534,725	59,509,743
	<u>78,474,229</u>	<u>82,676,859</u>
	<u>193,096,218</u>	<u>207,460,061</u>
	5	
LIABILITIES		
<i>Current Liabilities</i>		
Creditors, accrued and other liabilities	12,063,862	9,265,444
Current portion of long term murabaha finance	7,676,106	19,924,695
Short term murabaha finance	35,000,114	46,498,640
Profit payable on murabaha finance	2,502,203	4,683,318
Payable to modaraba management company	2,766,764	1,980,929
Unclaimed dividend	13,127,827	4,741,806
	<u>73,136,876</u>	<u>87,094,832</u>
<i>Non Current Liabilities</i>		
Long term murabaha finance	-	536,244
Security deposits	320,412	315,212
Deferred liabilities - staff gratuity	-	667,908
	<u>320,412</u>	<u>1,519,364</u>
	<u>73,457,288</u>	<u>88,614,196</u>
	<u>119,638,930</u>	<u>118,845,865</u>
	6	
	58,633,330	58,633,330
	50,277,200	50,277,200
	10,728,400	9,935,335
	<u>119,638,930</u>	<u>118,845,865</u>

Total Assets

LIABILITIES

Current Liabilities

Creditors, accrued and other liabilities
 Current portion of long term murabaha finance
 Short term murabaha finance
 Profit payable on murabaha finance
 Payable to modaraba management company
 Unclaimed dividend

Non Current Liabilities

Long term murabaha finance
 Security deposits
 Deferred liabilities - staff gratuity

Total Liabilities

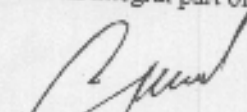
NET ASSETS

REPRESENTED BY:

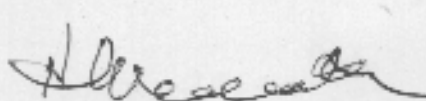
Certificate capital
 Capital reserves
 Unappropriated profit

Contingency and commitments

The annexed notes form an integral part of these financial information.


CHIEF EXECUTIVE OFFICER

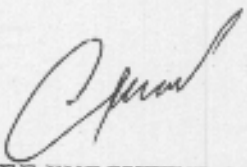

DIRECTOR


DIRECTOR

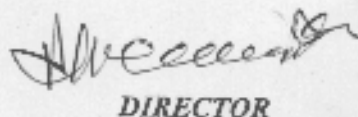
FIRST PARAMOUNT MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009

Note	Half Year Ended		Quarter Ended	
	December 31,	December 31,	December 31,	December 31,
	2009	2008	2009	2008
	Rupees	Rupees	Rupees	Rupees
REVENUE				
Profit on murabaha / musharaka finance	10,648,880	11,120,478	5,730,577	5,988,357
Profit on CNG project - musharaka	6,788,602	6,197,916	3,612,529	2,327,982
Profit / (loss) from generator project	740,843	(306,017)	740,843	(306,017)
Profit on bank deposits	53,597	93,431	48,522	83,824
Musharaka management fee	374,759	294,905	181,920	110,768
Gain on disposal of property, plant and equipment	75,303	5,013,116	75,303	251,347
Other income	25,498	175,185	22,498	157,485
	18,707,482	22,589,014	10,412,191	8,613,745
EXPENSES				
Operating expenses	3,669,025	4,096,088	1,825,872	2,170,671
Profit to morabaha investors	4,169,266	4,996,861	1,831,120	2,394,641
Provision for doubtful recoveries	-	500,000	-	500,000
Other provisions	-	205,178	-	-
Worker's welfare fund	215,784	-	215,784	-
	(8,054,075)	(9,798,127)	(3,872,776)	(5,065,312)
Operating profit	10,653,407	12,790,887	6,539,415	3,548,433
Modaraba company's management fee	1,065,341	1,279,089	591,543	354,843
Profit for the period	9,588,067	11,511,799	5,947,873	3,193,590
Other comprehensive income				
Other comprehensive income	-	-	-	-
Total comprehensive income	9,588,067	11,511,799	5,947,873	3,193,590
Earnings per certificate (Basic and diluted)	1.64	1.96	1.01	0.54

The annexed notes form an integral part of these financial information.


CHIEF EXECUTIVE OFFICER


DIRECTOR

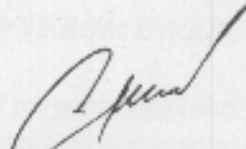

DIRECTOR

FIRST PARAMOUNT MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009

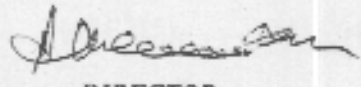
	<u>RESERVES</u>					<i>Total</i>
	<u>CAPITAL</u>			<u>REVENUE</u>		
	<i>Certificate Capital</i>	<i>Merger reserve</i>	<i>Statutory reserve</i>	<i>Revaluation reserve</i>	<i>Unappropriated profit</i>	
	<----- Rupees ----->					
Balance at June 30, 2008	58,633,330	1,935,160	19,591,655	19,701,591	9,095,206	108,956,942
Profit distribution @ Rs. 1.4 per certificate declared for the year ended June 30, 2008	-	-	-	-	(8,208,666)	(8,208,666)
Total comprehensive income for the half year ended December 31, 2008	-	-	-	-	11,511,799	11,511,799
Balance at December 31, 2008	58,633,330	1,935,160	19,591,655	19,701,591	12,398,339	112,260,075
Total comprehensive income for the half year ended June 30, 2009	-	-	-	-	6,585,788	6,585,788
Transferred to statutory reserve	-	-	9,048,794	-	(9,048,794)	-
Balance at June 30, 2009	58,633,330	1,935,160	28,640,449	19,701,591	9,935,333	118,845,863
Profit distribution @ 1.50 per certificate declared for the year ended June 30, 2009	-	-	-	-	(8,795,000)	(8,795,000)
Total comprehensive income for the half year ended December 31, 2009	-	-	-	-	9,588,067	9,588,067
Balance at December 31, 2009	58,633,330	1,935,160	28,640,449	19,701,591	10,728,400	119,638,930

The annexed notes form an integral part of these financial information.

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CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

FIRST PARAMOUNT MODARABA
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009

	Half Year Ended		Quarter Ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	----- Rupees -----			

A. CASH FLOWS FROM OPERATING ACTIVITIES

Profit for the period	9,588,067	11,511,799	5,323,887	3,193,590
Adjustments for:				
Profit on murabaha finance	4,169,266	4,996,861	1,831,120	2,394,641
Depreciation	2,048,655	1,590,701	994,356	850,119
Provision for gratuity	(667,908)	200,867	(898,178)	79,019
Gain on sale of property, plant and equipment	(75,303)	(5,013,116)	(75,303)	(5,013,116)
Provision for doubtful recoveries	-	500,000	-	500,000
Other provisions	-	205,178	-	-
	15,062,777	13,992,290	7,175,882	2,004,253
(Increase) / decrease in current assets				
Stock in trade	1,291,454	299,325	286,174	20,429
Stores and spares	(120,594)	-	(86,148)	-
Trade debtors	67,019	(288,937)	(43,115)	134,848
Accrued profit	(761,482)	38,006	(65,218)	(111,584)
Advances, prepayments and other receivables	327,360	(403,505)	841,261	(141,353)
	803,757	(355,111)	932,954	(97,660)
Increase / (decrease) in current liabilities				
Creditors, accrued and other liabilities	2,798,418	(1,316,272)	338,597	(6,433,401)
Payable to modaraba management company	785,835	389,089	154,618	(1,241,539)
	3,584,253	(927,183)	493,215	(7,674,940)
Cash generated from / (used in) operations	19,450,787	12,709,996	8,602,051	(5,768,347)
Staff gratuity paid	-	(113,948)	-	(96,948)
Net cash flow from / (used in) operating activities	19,450,787	12,596,048	8,602,051	(5,865,295)

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(2,308,338)	(7,295,834)	(494,715)	(273,704)
Proceeds from sale of property, plant and equipment	310,000	10,588,505	310,000	10,588,505
Long term murabaha finance - net	8,053,820	(8,001,008)	1,214,761	(1,564,097)
Musharaka finance	-	1,050,000	-	-
Short-term murabaha finance - net	1,676,632	(6,417,881)	6,034,456	-
Net cash flow from / (used in) investing activities	7,732,114	(10,076,218)	7,064,502	8,750,704

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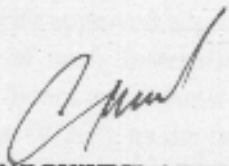
<i>Half Year Ended</i>		<i>Quarter Ended</i>	
<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>
<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
<----- Rupees ----->			

C. CASH FLOWS FROM FINANCING ACTIVITIES

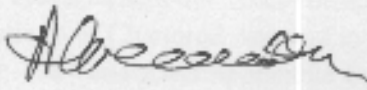
Profit paid on murabaha financing	(6,350,381)	(4,713,866)	(3,728,368)	(2,727,951)
Long term murabaha finance	(12,784,833)	(18,309,919)	(6,690,877)	(12,586,022)
Short-term murabaha finance	(11,498,526)	21,770,557	(5,290,378)	13,068,091
Security deposit	5,200	33,673	5,200	33,673
Dividend paid	(408,977)	(129,408)	(206,968)	(129,408)
Net cash used in financing activities	(31,037,517)	(1,348,963)	(15,911,391)	(2,341,617)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(3,854,616)	1,170,867	(244,839)	543,792
Cash and cash equivalents at beginning of the period	17,113,256	12,626,394	13,503,479	13,253,469
Cash and cash equivalents at end of the period	13,258,640	13,797,261	13,258,640	13,797,261

The annexed notes form an integral part of these financial information.

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CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

FIRST PARAMOUNT MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 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. 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'.

These financial statements are un-audited. However, limited scope review has been performed by the statutory auditors in accordance with the requirement of clause (xxi) of the Code of Corporate Governance and are being submitted to the Certificate holders as required by Rule 10 of Modaraba Companies and Modarba Rules, 1981.

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.

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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: -

	<i>Effective for accounting period beginning on or after</i>
- 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.

	<i>December 31, 2009</i>	<i>June 30, 2009</i>
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	59,528,525	59,509,743
Capital work in progress	6,200	-
	<u>59,534,725</u>	<u>59,509,743</u>

5.1 Following additions and disposals in assets, at cost, were made during the period:-

	<i>Additions</i>		<i>Disposals</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>December 31, 2009</i>	<i>December 31, 2008</i>	<i>December 31, 2009</i>	<i>December 31, 2008</i>
	<----- Rupees ----->			
<i>Operating fixed assets</i>				
Plant and machinery	1,803,483	8,424,645	-	-
Computers	18,655	25,500	-	-
Vehicles	480,000	728,497	234,697	137,321
	<u>2,302,138</u>	<u>9,178,642</u>	<u>234,697</u>	<u>137,321</u>

	<i>Additions</i>		<i>Transfer</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>December 31, 2009</i>	<i>December 31, 2008</i>	<i>December 31, 2009</i>	<i>December 31, 2008</i>
Civil work	-	341,890	-	-
Capital work in process	6,200	8,119,554	-	9,074,468
	<u>6,200</u>	<u>8,461,444</u>	<u>-</u>	<u>9,074,468</u>

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6. CONTINGENCY AND COMMITMENTS

6.1 Contingency

Performance guarantee of Rs.7,516,000/- (June 30, 2009 : Rs.7,516,000/-) issued by a bank to Sui Southern Gas Company Limited on behalf of the Modaraba.

	December 31, 2009 Rupees	June 30, 2009 Rupees
6.2 Commitments		
Commitments for operating lease rentals (Ijarah Financing) payable		
Not later than one year	217,984	754,718
Later than one year but not later than five years	-	23,560

7. PROFIT FROM CNG PROJECT MUSHARAKA

Particulars	Half Year Ended		Quarter Ended	
	December 31, 2009 Rupees	December 31, 2008 Rupees	December 31, 2009 Rupees	December 31, 2008 Rupees
Gas filling	66,847,255	67,584,761	32,345,232	31,362,991
Conversion income	755,600	2,040,500	438,600	356,000
Other income	515,188	565,386	436,288	559,886
	68,118,043	70,190,647	33,220,120	32,278,877
Less: Gas	35,067,037	34,255,001	16,962,229	16,188,021
Diesel	1,357,224	6,213,098	97,840	2,812,214
Electricity	6,460,966	3,739,378	3,295,370	2,045,800
Kits and cylinders	705,240	1,674,000	439,641	302,030
Store and spares	56,060	75,780	30,860	75,780
	43,646,527	45,957,257	20,825,940	21,423,845
Gross profit	24,471,516	24,233,390	12,394,180	10,855,032
Less: Operating expenses				
Salaries, allowances and benefits	3,443,490	3,264,201	1,879,342	1,499,885
Repairs and maintenance	601,657	1,267,193	107,472	890,318
Rent, rates and taxes	2,390,200	2,747,170	1,065,000	1,480,414
Depreciation	1,705,918	1,952,591	864,811	976,888
Other expenses	1,874,727	1,732,904	875,178	875,178
5% Charity	666,688	608,679	346,532	228,624
15% Pak CNG management fee	1,900,060	1,734,734	987,614	651,578
3% Modaraba's management fee	323,010	294,905	167,894	110,768
	12,905,750	13,602,377	6,293,843	6,713,653
Net profit before tax	11,565,766	10,631,013	6,100,337	4,141,379
Less: With holding tax	(1,121,763)	(1,095,757)	(542,601)	(559,869)
Net profit of the Modaraba	10,444,003	9,535,256	5,557,736	3,581,510
Appropriation:				
Share of the Modaraba @ 65%	6,788,602	6,197,916	3,612,529	2,327,982
Share of Investor Group @ 35%	3,655,401	3,337,340	1,945,208	1,253,529

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8. PROFIT / (LOSS) FROM GENERATOR PROJECT

Particulars	Note	Half Year Ended		Quarter Ended	
		December 31,	December 31,	December 31,	December 31,
		2009	2008	2009	2008
		Rupees	Rupees	Rupees	Rupees
Rental income		8,021,488	3,754,752	4,146,432	3,754,752
Trading Income	8.1	102,439	-	40,599	-
Other Income		164,001	-	1,001	-
		8,287,928	3,754,752	4,188,032	3,754,752
Less: Operating expenses					
Salaries, allowances and benefits		1,351,085	898,481	687,136	898,481
Repairs and maintenance		1,952,668	102,067	1,336,706	102,067
Rent, rates and taxes		150,000	125,000	75,000	125,000
Depreciation		1,366,366	190,032	641,874	190,032
Other expenses		1,652,054	547,123	955,173	547,123
5% Charity		90,788	94,602	24,607	94,602
3% Modaraba's Management Fee		51,749	-	14,026	-
15% ATC Management fee		250,982	269,617	68,026	269,617
		6,865,692	2,226,922	3,802,548	2,226,922
Net profit from generator project		1,422,236	1,527,830	385,484	1,527,830
Share of Modaraba @ 52.09%		740,843	779,193	200,799	779,193
Adjustments:					
Ijarah rentals paid		-	(1,208,831)	-	(1,208,831)
Share of investor in ijarah rental based on depreciation as per agreement		-	123,621	-	123,621
		-	(1,085,210)	-	(1,085,210)
Income/(Loss) from generator project		740,843	(306,017)	200,799	(306,017)

8.1 Trading Income

Sale of Generator	3,675,000	-	707,000	-
Less: Cost of Generator	(3,572,561)	-	(666,401)	-
	102,439	-	40,599	-

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<i>Total</i>		<i>Share of the Modaraba</i>	
<i>2009</i>	<i>June 30, 2009</i>	<i>2009</i>	<i>June 30, 2009</i>

<----- Rupees ----->

9. MUSHARAKA ARRANGEMENTS

9.1 CNG project

Property, plant and equipment	67,273,391	66,176,046	43,727,704	43,014,430
Long term deposits	4,808,703	4,804,087	3,125,657	3,122,657
Trade debtors	2,016,892	2,119,998	1,310,980	1,377,999
Stock in trade	763,745	816,588	496,434	530,782
Advances, prepayments and other receivables	551,494	2,253,981	358,471	1,465,088
Cash and bank balances	10,158,165	15,805,371	6,602,807	10,273,491
Total assets	85,572,390	91,976,071	55,622,053	59,784,446
Creditors, accrued and other liabilities	(14,577,069)	(9,545,717)	(9,475,095)	(6,204,716)
Net assets	70,995,321	82,430,354	46,146,958	53,579,730

9.2 Generator project

Property, plant and equipment	25,367,277	26,720,971	13,213,815	13,918,954
Stock in trade	2,821,912	5,003,739	1,469,934	2,606,448
Advances, prepayments and other receivables	336,534	1,440,546	175,301	750,380
Cash and bank balances	5,857,671	2,666,052	3,051,261	1,388,746
Total assets	34,383,394	35,831,308	17,910,310	18,664,528
Creditors, accrued and other liabilities	(830,075)	(766,045)	(432,386)	(399,033)
Net assets	33,553,319	35,065,263	17,477,924	18,265,495

10. TRANSACTIONS WITH RELATED PARTIES

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

<i>Relationship with Modaraba</i>	<i>Nature of Transaction</i>	<i>December 31, 2009</i>	<i>December 31, 2008</i>
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-audited)</i>	<i>(Un-audited)</i>
Management company	Management fee	1,065,341	1,279,089
Management company	Fund received	650,000	-
Management company	Fund paid	849,507	-
Musharaka investor - Generator project	Share of profit	740,843	779,193
	Management fee	51,749	-
Musharaka investor - CNG project	Share of profit	6,788,602	6,197,916
	Management fee	323,010	294,905

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11. MANAGEMENT FEES

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

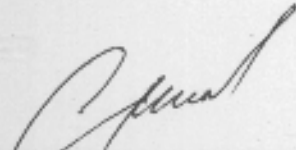
12. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Management Company and authorized for issue on Feb, 25, 2010.

13. FIGURES

Figures have been rounded off to the nearest Rupee.

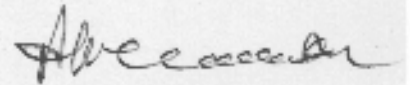
PKS!



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR