

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. Nadeem Iqbal	Director
Mr. Abid Aziz (Nominee Director of Pak Libya Holding Co. Limited)	

AUDIT COMMITTEE

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

SHARIAH ADVISOR

Mufti Muhammad Essa Ibrahim

CREDIT RATING

FOR LONG TERM .BBB.

FOR SHORT TERM A-3

OUT LOOK - STABLE

BY JCR VIS CREDIT RATING COMPANY



Directors Report

Al Hamdolillah, we feel satisfaction for reporting successful results of our operating activities for 9 months period ending 31st March, 2012. The operating income of Modaraba for the period increased by Rs.8,958,910 or by about 35% over previous fiscal period and consequently our EPS from continuing operation enhanced to Rs.2.87 for the period under consideration, mainly due to :-

- (i) Enhancement in gross income through Morabaha activities by Rs.7,931,595/- or by about 43% as compared to the figures of the last financial tenure.
- (ii) Increase in gross revenue of Generators Rental Project by Rs.1,027,315 or by around 14% over corresponding period of fiscal year 2010-2011.
- (iii) Escalation in income also registered due to reversal of provision of Rs.1,301,793/- for doubtful recoveries during the period under review, whereas there was a provision of Rs.263,566/- during the fiscal period 2010/2011.

However, EPS of Modaraba was Rs.3.90 for the previous financial period (Rs.2.87 for the current period), which included Rs.2.53 per share of capital gain due to disposal of CNG stations in that period.

30% Right Issue of Modaraba Certificates:

It was decided by the Board of Directors in its meeting held on 24th February 2012 to issue Right Modaraba Certificates of 30%, approval of which has since been received from Registrar Modaraba & Modaraba Companies, Securities And Exchange Commission of Pakistan, and Islamabad. This matter will be taken-up by the Board Insha Allah before the end of the financial year to increase paid-up capital of Modaraba.

As usual, the Management of Modaraba and the Board of Directors both have expressed their gratefulness over the extensive supporting of (i) Registrar Modarabas, Securities And Exchange Commission of Pakistan, Islamabad, and (ii) State Bank of Pakistan.

We also thank to the worthy staff of Modaraba for striving hard and showing their keen interest in the fulfillment of their duties satisfactorily.

for and on behalf of Board

Abdul Ghaffar Umer
Chief Executive Officer

Karachith
Date: 27 April, 2012

First Paramount Modaraba
(An Islamic Financial Institution)



Condensed Interim Balance Sheet (un Audited)
As at 31 March 2012

		31-Mar 2012	30-Jun 2011
ASSETS			
NON - CURRENT ASSETS			
Operating fixed assets	Notes 4	33,002,407	31,584,091
Murabaha receivable	5	64,017,453	82,024,347
Long term deposit		7,428	7,428
		97,027,287	113,615,866
CURRENT ASSETS			
Cash and bank balances		21,266,440	3,584,973
Current portion of long term murabaha receivable	5	96,295,906	98,781,450
Short term murabaha receivable	6	36,531,327	28,211,318
Stores and spares		542,107	441,498
Advances, prepayments and other receivables	7	7,644,621	800,501
		162,280,401	131,819,741
TOTAL ASSETS		259,307,689	245,435,606
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Certificate Capital			
Authorised			
25,000,000 (30 June 2011: 25,000,000) Certificates of Rs. 10 each		250,000,000	250,000,000
Issued, subscribed and paid-up		58,633,330	58,633,330
Capital reserves		50,323,148	50,323,148
Unappropriated profit		38,088,432	35,049,425
		147,044,910	144,005,903
LIABILITIES			
NON CURRENT LIABILITIES			
Certificate of Musharika	8	20,550,000	850,836
Security deposits		-	-
Deferred Murabaha income		27,700,855	38,965,268
		48,250,855	39,816,104
CURRENT LIABILITIES			
Creditors, accrued and other liabilities		7,631,468	6,132,502
Short term Murabaha finance	9	2,778,175	32,481,590
Certificate of Musharika	8	40,578,000	11,810,008
Deferred Murabaha income		3,171,699	1,819,029
Payable to Modaraba Management Company - a related party		1,482,476	2,878,626
Unclaimed dividend		8,370,106	6,491,844
		64,011,924	61,613,599
TOTAL EQUITY AND LIABILITIES		259,307,689	245,435,606

Chief Executive

Director

Director



Condensed Interim Profit and Loss Account (Unaudited)
For the Nine months period ended 31 March 2012.

Notes	9 Months		Quarter		
	July-March 2012 Rupees	July-March 2011 Rupees	Jan-March 2012 Rupees	Jan-March 2011 Rupees	
Operating income	10	34,766,857	25,807,947	11,516,918	9,558,630
Operating costs					
Depreciation on assets		2,479,089	405,493	820,518	145,681
Provision for doubtful recoveries		(1,301,793)	263,566	(784,986)	-
Administrative expenses		10,922,786	12,657,359	3,204,000	4,450,758
		(12,100,082)	(13,326,418)	(3,239,532)	(4,596,439)
		22,666,775	12,481,529	8,277,386	4,962,191
Other income		3,292,112	510,505	997,431	115,831
		25,958,887	12,992,034	9,274,817	5,078,022
Financial charges		(6,891,038)	(3,528,849)	(3,113,039)	(1,099,508)
Provision for worker's welfare fund		(381,357)	(518,861)	(123,236)	(79,570)
Profit from continued operations		18,686,492	8,944,325	6,038,543	3,898,944
Gain on discontinued operation		-	16,479,850	-	-
		18,686,492	25,424,175	6,038,543	3,898,944
Modaraba company's management fee		(1,868,649)	(2,542,417)	(603,854)	(389,894)
Profit for the period		16,817,843	22,881,757	5,434,688	3,509,050
Earnings per certificate - basic and diluted					
From continuing operation		2.87	1.37	0.93	0.60
From discontinued operation		-	2.53	-	-
Total Earning Per Share.		2.87	3.90	0.93	0.60

Chief Executive

Director

Director

First Paramount Modaraba
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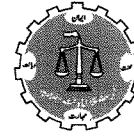
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

	31-Mar 2012	30-Jun 2011
Profit for the period	16,817,843	27,795,840
Adjustments for:		
Depreciation on property, plant and equipment	2,479,089	2,312,443
Provision for worker's welfare fund	381,357	630,291
Provision for doubtful recoveries	(1,301,793)	1,649,323
Financial charges	6,891,038	5,273,312
Gain on sale of discontinued operation	-	(18,825,032)
Gain on sale of assets in own use	(162,374)	(146,715)
Operating profit before working capital changes	<u>25,105,160</u>	18,689,462
(Increase) / decrease in assets		
- Stock in trade	(100,609)	603,483
- Advances, prepayments and other receivable	(6,844,120)	901,528
Increase / (decrease) in liabilities		
- Accrued and other liabilities	(1,432,942)	703,038
- Payable to modaraba management company.	(1,396,150)	942,604
Net cash (used in) / from operations	<u>15,331,339</u>	21,840,115
Increase / (decrease) in assets / liabilities of discontinued operation		
Financial charges	-	(31,410,713)
	(4,340,487)	(6,433,718)
Net cash from operating activities	<u>10,990,853</u>	(16,004,316)
Cash flows from investing activities		
Murabaha receivable-net	3,562,479	(52,568,359)
Long-term deposits	-	(4,428)
Capital expenditure including capital work in progress	(5,662,365)	(6,530,348)
Sale proceeds of assets of discontinued operations	-	67,055,076
Sale proceeds of assets in own use	1,927,330	1,884,389
Net cash (used in) / from investing activities	<u>(172,556)</u>	9,836,330
Cash flows from financing activities		
Murabaha financing repaid - net	(29,703,415)	(4,026,255)
Musharika financing - net	48,467,156	12,660,844
Dividend paid	(11,900,571)	(9,490,300)
Transferred to retained earning on disposal	-	(19,701,591)
Net cash (used in) financing activities	<u>6,863,170</u>	(20,557,302)
Net (decrease) in cash and cash equivalent	<u>17,681,467</u>	(26,725,288)
Cash and cash equivalents at beginning of the period	<u>3,584,973</u>	30,310,261
Cash and cash equivalents at end of the period	<u>21,266,440</u>	3,584,973

Chief Executive

Director

Director



**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2012 (UN AUDITED)**

	CAPITAL			REVENUE		Total
	Share Capital	Merger Reserve	Statutory Reserve	Revaluation Reserve	Unappropriate Profit	
BALANCES AS AT JULY 01, 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)
Total comprehensive income for the period ended March 31, 2012	-	-	-	-	16,817,843	16,817,843
BALANCES AS AT MARCH 31, 2012	58,633,330	1,935,160	48,387,988	-	38,088,432	147,044,910

Chief Executive

Director

Director



**Notes to the Interim Financial Information (Unaudited)
For the Nine months period ended 31 March 2012.**

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, 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 deployment of funds on murabaha and musharaka arrangements and 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.

1.1 The financial information are presented in Pakistan rupees, which is the modaraba's functional and presentation currency. Figures have been rounded off to the nearest rupee, otherwise stated.

2. BASIS OF PREPARATION

2.1 This financial information is presented in a condensed form in accordance with approved accounting standards as applicable in Pakistan for Interim financial Reporting. This condensed interim financial information does not include of the information required for full financial information and should be read in conjunction with the financial statements of the Modaraba for the year ended 30 June 2011.

2.2 The accounting policies and methods of computation followed for the preparation of this financial information are the same as those applied in preparing the financial statements for the year ended 30 June 2011.

2.3 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Modaraba's operations and did not have any significant impact of the accounting policies of the Modaraba.

3. ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

3.1 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Significant judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June 2011.

3.2 The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2011.

	31 March 2012 (Unaudited)	30 June 2011 (Audited)
4. PLANT AND EQUIPMENT	4.1	
Plant and equipment	33,002,407	29,453,331
Capital work in progress - at cost	-	2,130,760
	<u>Rupees 33,002,407</u>	<u>31,584,091</u>

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4.1 Additions and deletions made during the period are as follows:	31 March 2012 (Unaudited)	30 June 2011 (Audited)
Additions during the period / year:		
Machinery - generators	7,793,125	14,696,843
Office equipment	-	11,600
Computers	-	20,255
Motor vehicles	-	598,390
	<u>Rupees 7,793,125</u>	<u>15,327,088</u>
Deletions (at book value) during the period / year:		
Machinery - generators	1,886,700	1,669,032
Office equipment	-	56,970
Motor vehicles	-	11,672
	<u>Rupees 1,886,700</u>	<u>1,737,674</u>
5. LONG TERM MURABAHA RECEIVABLES		
Considered good - secured	160,313,359	180,805,797
Considered doubtful - secured	2,877,431	4,098,390
	<u>163,190,790</u>	<u>184,904,187</u>
Provision for doubtful recoveries	(2,877,431)	(4,098,390)
	<u>160,313,359</u>	<u>180,805,797</u>
Receivable within one year shown under current assets	<u>(96,295,906)</u>	<u>(98,781,450)</u>
	<u>64,017,453</u>	<u>82,024,347</u>
6. SHORT TERM MURABAHA RECEIVABLES		
This represent receivable under Murabaha arrangement on deferred payment basis at a specified profit margin of 12% for a period of 1 year representing IRR ranging between 20% to 23%. This is secured against charge over murabaha assets, personal guarantees of directors and demand promissory note. Profit on Murabaha arrangement amounting to Rs. 2.1 million is deferred over the period of Murabaha arrangement. The Murabaha transactions are conducted by appointing customer as an agent and all the invoices / purchase orders are issued in the name of customer.		
Considered good-secured	36,531,327	28,211,318
Considered doubtful - secured	-	81,790
	<u>36,531,327</u>	<u>28,293,108</u>
Provision for doubtful recoveries	-	(81,790)
	<u>36,531,327</u>	<u>28,211,318</u>
7. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		
Advance against expenses	86,309	113,872
Advance against salaries	1,000	10,700
Advance income tax	260,607	222,749
Prepayments	596,705	156,644
Advance for murabaha transactions	6,700,000	-
Other receivables	-	296,536
	<u>7,644,621</u>	<u>800,501</u>
7.1 This represents advances made on account of muharaba transactions. As the formal agreement in respect of such transactions have not been executed, therefore the same has not been classified as murabaha receivables.		
8. CERTIFICATES OF MUSHARAKA		
Certificate of Musharaka	61,128,000	12,660,844
Current portion of certificate of Musharaka shown under current liabilities	<u>(40,578,000)</u>	<u>(11,810,008)</u>
	<u>20,550,000</u>	<u>850,836</u>

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8.1 These certificates have different denominations and are repayable within six month to Five years. The estimated share of profit on these certificates ranges from 10.50% to 12.50% (2011: from 8.75% to 14%) per annum.

9. **SHORT TERM MURABAHA FINANCE**

These facilities are available from banks amounting to Rs. 30 million (30 June 2011: Rs. 30 million). Profit on these facilities are 2% above 6 months to one year KIBOR with a floor of 14% to 24% (30 June 2011: 2% to 3.5% above 6 months to one year KIBOR) payable on agreed terms. These facilities are secured against first charge on the plant and machinery of the Modaraba and the hypothecation of stocks and receivables.

10. **OPERATING INCOME**

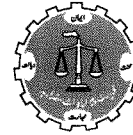
	Nine months period ended	
	31 March 2012	31 March 2011
	-- (Unaudited)--	
Profit on Morabaha Finance	26,563,169	18,631,574
Profit on Generator Project	10.1 8,203,688	7,176,373
	<u>Rupees 34,766,857</u>	<u>25,807,947</u>

10.1 This represents income generated form rental business of AL-BURQ Associates (formerly Advanced Trading Corporation) representing Modaraba's Share of 52.09 percent.

10.1.1 **Profit on generator project**

	9 Months		Quarter	
	July-March 2012 Rupees	July-March 2011 Rupees	Jan-March 2012 Rupees	Jan-March 2011 Rupees
Rental Income	15,264,347	13,153,528	4,544,664	3,795,250
Income on Sale	-	410,385	-	121,716
Gain on sale of Fixed Assets	311,718	-	-	-
Other Income	173,000	212,960	30,000	-
Total Income	15,749,065	13,776,873	4,574,664	3,916,966
Less: Operating Expenses				
Salaries & Allowances / Other Benefits	2,697,285	2,669,375	944,467	798,937
Rent, Rates & Taxes	686,000	418,548	90,000	240,000
Electricity Charges	67,712	59,446	18,359	13,249
Travelling, Transportation & Conveyance	562,998	432,768	117,473	80,505
Printing & Stationery	29,223	55,836	8,893	17,815
Insurance	404,956	643,763	137,090	242,606
Repairs & Maintenance	1,467,426	3,569,584	234,511	490,880
Advertisement & Publicity	96,597	317,808	36,205	73,142
Fee & Subscription	45,000	45,000	15,000	15,000
Telephone & Postage	30,483	52,482	7,990	19,140
Depreciation	1,732,751	2,339,042	477,820	551,335
Miscellaneous	68,598	43,802	19,115	13,191
5% charity	393,002	156,471	123,387	68,058
3% Modaraba's Management Fee	224,011	89,188	70,331	38,793
15% ATC Management Fee	1,086,453	432,564	341,103	188,147
	<u>9,592,495</u>	<u>11,325,677</u>	<u>2,641,744</u>	<u>2,850,798</u>
Net Profit / (Loss)	<u>6,156,570</u>	<u>2,451,196</u>	<u>1,932,920</u>	<u>1,066,168</u>

First Paramount Modaraba
(An Islamic Financial Institution)



Share of Modaraba @ 52.09%	3,206,957	1,276,828	1,006,858	555,367
47.91% Profit of the Investor	2,949,612	1,174,368	926,062	510,801
Sale of generators		7,303,000	-	3,628,000
Less: Cost of generator		(7,185,660)	-	(3,613,100)
	-	117,340	-	14,900
Less: Provision for taxation @ 25%	-	-	-	-
	-	117,340	-	14,900

11 TAXATION

As per the current tax law, income of non-trading modarabas is exempt from income tax provided that they distribute ninety percent profit to certificate holders out of current year's total profit after appropriating statutory reserves. As the management intends to follow the aforesaid policy for profit distribution for the current year, no provision with respect to current and deferred taxation has been made in this condensed interim financial information.

12 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue on **April 27th 2012** by the Board Directors of the Management Company.