

Quarterly Report

for the period ended
September 30, 2010 (Un-Audited)



First Paramount Modaraba

(An Islamic Financial Institution)

Managed by: Paramount Investments Limited
BBB - Stable to Positive by: JCR VIS Credit Rating Company
First Shariah Certified Modaraba



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

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. Naseemuddin Zubairi	Chief Financial Officer
Mr. Shakeel Khan	General Manager
Mr. Mazhar-ul-Haq Siddiqui	General Manager Corporate

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 present herewith 1st Quarterly unaudited financial report of First Paramount Modaraba for the period ended 30th September 2010.

Our overall operating income dropped from Rs.4, 264, 180 to Rs.1, 772, 618 or by about 58% mainly due to the Board's decision to dispose-off CNG stations as was reported in last annual report also.

There was a profit of Rs.3, 216, 016 of CNG Musharika Project in the 1st quarter of the previous financial year which has been discontinued in this year, hence the Management has to do all out efforts to cover this loss of revenue generating source. The deal for SITE CNG station has almost been finalized and a sum of around Rs.54 Million as advance for the disposal has already been received.

The negotiations for Rashid Minhas CNG station are in progress and after going through all legal matters, the agreements are expected to be signed before the closure of the calendar year.

We are very much optimistic that we will be Insha Allah able to increase our income from Morabaha financing to maintain our level of income as to the pattern of previous year.

It is evident from the report that although our gross Morabaha income for the quarter decreased from Rs.4,918,303 for the preceding quarter to Rs.4,472,278 or by 9% for the quarter under review, but our net income from Morabaha financing increased by about 15% due to 47% reduction in the payment of profit to Islamic Financial Institutions for Morabaha financing obtained from them.

Certificate of Musharika (COM): As reported in annual report, preparations are under-way to issue Certificates of Musharika, launching of which has been a little delayed and now expected in December 2010 Insha Allah which we expect will ultimately increase our profit and the gain of which will go to our valued Certificate (Shares) Holders.

We, at our end would like to thank to the Registrar Modarabas, Securities And Exchange Commission of Pakistan and State Bank of Pakistan for their cooperation and guidance. We also put on high regard the performance of our staff members they showed for pushing forward the Modaraba.

for and on behalf of Board

Abdul Ghaffar Umer
Chief Executive Officer

Karachi:
Date: 29th October, 2010

First Paramount Modaraba
(An Islamic Financial Institution)



BALANCE SHEET
30 September, 2010 (Un-Audited)

	Notes	September 2010	June 2010
Assets			
Current Assets			
Cash and Bank Balances		23,280,519	30,310,261
Current Portion of Long Term Morabaha Finance		63,555,172	48,934,814
Short Term Morabaha Finance		30,969,574	37,455,778
Stock In Trade		1,392,775	1,044,981
Accrued Profit		356,536	1,019,037
Advances, Prepayments and Other Receivables		7,074,771	12,629,529
Total Current Assets		126,629,346	131,394,400
Morabaha Finance		38,838,720	29,904,153
Long Term Deposit		6,907	3,000
Property, Plant and Equipment	5	18,749,473	18,176,360
		57,595,100	48,083,513
Assets of discontinued operations classified as held for sale		47,532,491	48,080,867
Total Assets		231,756,937	227,558,780
Liabilities			
Current Liabilities			
Creditors, Accrued and Other Liabilities		2,235,529	2,133,936
Current Portion of Long Term Morabaha Finance		-	536,250
Short Term Morabaha Finance		29,185,665	35,971,595
Profit Payable on Morabaha Finance		1,168,148	1,770,567
Payable to Modaraba Management Company		831,945	1,936,022
Unclaimed Dividend		5,371,048	5,428,145
Dividend Payable		10,553,999	-
Total Current Liabilities		49,346,333	47,776,515
Liabilities of discontinued operations classified as held for sale		64,427,923	53,018,203
TOTAL LIABILITIES		113,774,257	100,794,718
NET ASSETS		117,982,681	126,764,062
REPRESENTED BY :			
Certificate Capital		58,633,330	58,633,330
Capital Reserves		56,126,819	56,126,819
Unappropriated Profit		3,222,532	12,003,913
		117,982,681	126,764,062

These notes from 1 to 9 form an integral part of these financial statements.

Chief Executive Officer

Director

Director

Quarterly Report 2010



PROFIT AND LOSS ACCOUNT
for the period ended September 30, 2010 (Un-Audited)

	Notes	Sept-2010 Rupees	Sept-2009 Rupees
Continuing Operations			
Revenue			
Profit on Morabaha Finance		4,472,278	4,918,303
Profit on Generator Project	6	394,525	540,044
Profit on Bank Deposits		101,619	5,075
Musharika Management Fee	6 & 7	27,558	192,839
Gain on disposal of property, plant and equipment		145,747	-
Other Income		46,500	3,000
		5,188,227	5,659,261
Expenses			
Operating Expenses		1,779,893	1,843,153
Profit to Morabaha Investors		1,250,026	2,338,146
Worker's Welfare Fund		43,166	-
		3,073,085	4,181,299
Profit from continuing operations		2,115,142	1,477,962
Discontinued Operations			
Profit / Loss from discontinued operations	7	(145,566)	3,260,016
Profit before Management Fee		1,969,576	4,737,978
Modaraba Company's Management Fee		(196,958)	(473,798)
Profit for the Period		1,772,618	4,264,180
Other comprehensive income		-	-
Total comprehensive income for the year		1,772,618	4,264,180
Earnings per certificate			
Basic and diluted			
From continuing operation		0.32	0.23
From discontinued operation		(0.02)	0.50
Total EPS		0.30	0.73

These notes from 1 to 9 form an integral part of these financial statements.

Chief Executive Officer

Director

Director

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CASH FLOW STATEMENT
for the period ended September 30, 2010 (Un-Audited)

	Sep-10	Sep-09
	----- Rupees -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,772,618	4,264,180
Adjustments for:		
Profit on Morabaha finance	1,250,026	2,338,146
Depreciation	592,240	1,054,300
Provision for gratuity	-	230,270
Gain on sale of property, plant and equipment	(145,747)	-
	<u>3,469,137</u>	<u>7,886,896</u>
(Increase) / decrease in current assets		
Continuing Operation		
Stock in trade	(347,794)	970,834
Trade debtors	-	110,134
Accrued profit	662,501	(696,264)
Advances, prepayments and other receivables	5,554,758	(513,901)
Discontinued Operation		
Stock in trade	46,905	-
Trade debtors	341,359	-
Advances, prepayments and other receivables	160,119	-
	<u>6,417,848</u>	<u>(129,197)</u>
(Decrease) / increase in current liabilities		
Continuing Operation		
Creditors, accrued and other liabilities	131,009	2,459,821
Payable to Modaraba management company	(1,104,077)	631,217
Discontinued Operation		
Creditors, accrued and other liabilities	(590,279)	-
	<u>(1,563,348)</u>	<u>3,091,038</u>
Cash generated from operations	<u>8,323,637</u>	<u>10,848,737</u>
Staff gratuity paid	-	-
Net cash flow from operating activities	<u>8,323,637</u>	<u>10,848,737</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,177,030)	(1,813,623)
Proceeds from sale of property, plant and equipment	128,000	-
Advance against disposal of CNG	12,000,000	-
Long term Morabaha finance	(23,554,925)	6,839,059
Long-term deposits	(3,907)	-
Short-term Morabaha finance	6,486,204	(4,357,824)
Net cash flow from / (used in) investing activities	<u>(6,121,658)</u>	<u>667,612</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid on Morabaha financing	(1,852,445)	(2,622,013)
Long term Morabaha finance	(536,250)	(6,093,956)
Short-term Morabaha finance	(6,785,930)	(6,208,148)
Dividend paid	(57,097)	(202,008)
Net cash used in financing activities	<u>(9,231,722)</u>	<u>(15,126,125)</u>
Net increase in cash and cash equivalents (A + B + C)	<u>(7,029,742)</u>	<u>(3,609,776)</u>
Cash and cash equivalents at the beginning of the year	<u>30,310,261</u>	<u>17,113,256</u>
Cash and cash equivalents at the end of the year	<u>23,280,519</u>	<u>13,503,480</u>

These notes from 1 to 9 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



STATEMENT OF CHANGES IN EQUITY
for the period ended September 30, 2010 (Un-Audited)

	CAPITAL				REVENUE	
	Share Capital	Merger Reserve	Statutory Reserve	Revaluation Reserve	Unappropriated Profit	Total
	< ----- Rupees ----- >					
BALANCES AS AT JULY 01, 2009	58,633,330	1,935,160	28,640,449	19,701,591	9,935,335	118,845,865
Profit Distribution Declared for the year ended June 30, 2009	-	-	-	-	(8,795,000)	(8,795,000)
Profit for the year 2009-10	-	-	-	-	16,713,197	16,713,197
Transferred to Statutory Reserve	-	-	5,849,619	-	(5,849,619)	-
BALANCES AS AT JUNE 30, 2010	58,633,330	1,935,160	34,490,067	19,701,591	12,003,913	126,764,062
Profit Distribution Declared for the year ended June 30, 2010	-	-	-	-	(10,553,999)	(10,553,999)
Profit for the Quarter ended 30th Sept 2010	-	-	-	-	1,772,618	1,772,618
BALANCES AS AT SEPTEMBER 30, 2010	58,633,330	1,935,160	34,490,067	19,701,591	3,222,532	117,982,681

These notes from 1 to 9 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



NOTES TO THE ACCOUNTS
for the period ended September 30, 2010 (Un-Audited)

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 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 operations of CNG stations and deployment of funds on murabaha and musharaka arrangements and generator rental and sale project under the project name, Advance Trading Corporation (ATC).
- 1.2** The Modaraba obtained CNG operators license in January, 1999 from Director General Gas, Government of Pakistan and is operating 2 (2009:2) CNG stations. During the year, the modaraba has planned to dispose of its CNG project and agreement for sale of one of its CNG station has been finalized.
- 2.** These accounts have been prepared under 'Historical Cost Convention'. These are being submitted to the certificate holders as required under rule 10 of the Modaraba Companies and Modaraba Rules 1981, and have been prepared accordingly.
- 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, 2010.
- 4.** These interim financial statements are Unaudited and prepared as required under clause (xxi) of Code of Corporate Governance.



5. OPERATING ASSETS SCHEDULE
For the Period July 2010 to September 2010

PARTICULARS	Cost at 1-Jul-09	Disposal during the Period	Additions during the Period	Reclassified as held for sale	Cost at 30-Sep-10	Accumulated Depreciation 1-Jul-09	Depreciation		Reclassified as held for sale	Accumulated Depreciation 30-Sep-10	Written Down Value at 30-Sep-10
							on Disposal	For the Period			
Land	22,926,476	-	-	(22,926,476)	-	-	-	-	-	-	-
Building	5,639,904	-	-	(5,088,163)	551,741	2,364,134	-	8,447	(2,150,258)	222,323	329,418
Plant & Machinery	47,146,928	-	580,335	(90,043,383)	17,683,877	12,950,763	-	465,089	(11,334,869)	2,080,962	15,602,895
Computer	1,118,710	-	8,855	(241,646)	885,920	877,701	-	14,301	(173,417)	718,585	167,314
Office Equipment	755,410	-	-	(214,499)	540,910	297,476	-	8,216	(90,314)	215,378	325,532
Furniture & Fixture	1,027,992	-	-	(56,872)	971,121	414,466	-	15,130	(27,972)	491,624	509,496
Vehicle	2,381,498	(43,000)	587,840	(767,488)	2,158,850	736,823	(31,328)	81,056	(382,503)	404,049	1,754,800
	80,996,918	(43,000)	1,177,030	(59,338,529)	22,792,419	17,641,362	(31,328)	592,240	(14,159,333)	4,042,942	18,749,473

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6. Profit on Generator Project Musharaka

	30-Sep 2010	30-Sep 2009
Rental Income	4,561,278	3,875,056
Trading Income	76,905	61,840
Other Income	84,000	163,000
Total Sale	4,722,183	4,099,896
Less: Operating Expenses		
Salaries & Allowances / Other Benefits	911,002	663,949
Repairs & Maintenance	1,229,281	615,962
Insurance	196,903	180,576
Transportation	132,150	261,503
Rent, Rates & Taxes	88,548	75,000
Advertisement & Publicity	132,997	75,918
Printing & Stationery	33,326	8,007
Communication	22,452	9,477
Legal & Professional	15,000	15,000
Utilities	25,836	19,404
Depreciation	893,034	724,492
Miscellaneous	74,701	126,996
5% charity	48,348	66,181
3% Modaraba's Management Fee	27,558	37,723
15% ATC Management Fee	133,657	182,956
	<u>3,964,793</u>	<u>3,063,144</u>
Net Profit / Loss	<u>757,390</u>	<u>1,036,752</u>
Share of Modaraba @ 52.09%	<u>394,525</u>	<u>540,044</u>
Share of Investor Group @ 47.91%	362,866	496,708
Sale of generators	1,117,000	2,968,000
Less: Cost of generator	<u>(1,014,460)</u>	<u>(2,906,160)</u>
Gross Profit	102,540	61,840
Less: Tax on Trading Income @ 25%	<u>(25,635)</u>	<u>-</u>
Net Income	76,905	61,840

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7. Profit from Discontinued Operations
CNG Project Musharika

	Gas Filling	Kit	Total	Jul-Sep 2009
Gas Filling	14,736,522	-	14,736,522	34,502,023
Conversion / Trading	-	149,000	149,000	317,000
Others	-	35,958	35,958	78,900
Total Sale	14,736,522	184,958	14,921,480	34,897,923
Less:				
Electricity Charges	2,753,497	-	2,753,497	3,165,596
Diesel & Oil	247,138	-	247,138	1,259,384
Gas	8,904,651	-	8,904,651	18,104,808
Store and spares	-	18,330	18,330	25,200
Consumption-Kits & Cylinders	-	130,561	130,561	265,599
	11,905,286	148,891	12,054,177	22,820,587
Gross Profit	2,831,236	36,067	2,867,303	12,077,336
Less: Operating Expenses				
Salaries & Allowances / Other Benefits	1,025,323	-	1,025,323	1,564,148
Water Charges	4,400	-	4,400	52,000
Repairs & Maintenance	125,533	-	125,533	494,185
Rent, Rates & Taxes	1,196,852	-	1,196,852	1,325,200
Travelling & Entertainment	15,871	-	15,871	67,642
Vehicle Running & Maintenance	11,204	-	11,204	16,502
Printing & Stationery	2,390	-	2,390	36,480
Communication	34,263	-	34,263	29,616
Insurance	61,616	-	61,616	93,519
Legal & Professional	200,000	-	200,000	-
Fee & Subscription	10,900	-	10,900	51,884
Advertisement & Publicity	-	-	-	19,861
Bank Charges	9,157	-	9,157	2,842
Lease Rental	-	-	-	282,431
Depreciation	-	-	-	841,107
Miscellaneous	153,116	-	153,116	217,630
5% charity	-	-	-	320,156
15% Pak CNG Management Fee	-	-	-	912,446
3% Modaraba's Management Fee	-	-	-	155,116
	2,850,625	-	2,850,625	6,482,765
Profit before Tax	(19,389)	36,067	16,678	5,594,571
Less: Withholding Tax	(240,625)	-	(240,625)	(579,162)
Profit after Tax	(260,014)	36,067	(223,947)	5,015,409
Appropriations:				
Share of the Modaraba 65%	(169,009)	23,444	(145,566)	3,260,016
Share of the Investor Group 35%	(91,005)	12,623	(78,381)	1,755,393

First Paramount Modaraba
(An Islamic Financial Institution)



8. Date of Authorization:

These un-audited financial statements for the quarter ended September 30, 2010 have been approved by the Board of Directors of the management company on October 29, 2010.

9. General

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Director