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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. 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

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

MANAGEMENT COMMITTEE

Mian Tanweer Ahmed 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 - BBB-"STABLE TO POSITIVE"
BY JCR VIS CREDIT RATING COMPANY

DIRECTORS' REPORT TO THE CERTIFICATE-HOLDERS

The Board of Directors of M/s: Paramount Investments Limited, Managers of First Paramount Modaraba is pleased to present the unaudited Half Yearly financial statements for the period ended 31st December 2010 duly reviewed by the statutory auditors M/s: KPMG Taseer Hadi & Company, Chartered Accountants.

We bow our heads towards Allah Al-Mighty for His Mercy and Blessings due to which we have become able to earn an all time high half-yearly profit of Rs.3.30 per Modaraba Certificate mainly due to dissolution of Musharika Agreement for CNG project and transfer of Modaraba share of 65% in all assets and liabilities of CNG project to the acquirers, as a going concern.

Income from continued operations:

Our income (from Morabaha financing and Generators Rental Project) for the six months period under review increased marginally by Rs.445.030 or by about 4% over previous fiscal period. Financial charges paid to Islamic Banks declined by Rs.1,733,383 or by around 42% in the period under consideration due to cash generation on account of disposal of CNG project and consequently our over all net operating income increased by Rs.1,180,575 over the past financial period.

Dissolution of CNG Musharika Agreement:

The Board decided in principle to dispose off CNG Musharika Project due to its gloomy future in last quarter of 2010. Later on, it was decided to dissolve CNG Musharika Agreement and to transfer 65% share of First Paramount Modaraba in this project to remaining investors as a going concern after receiving lucrative offer from them.

In fact, the Modaraba's net earning due to this deal was Rs.36,181,441 out of which Rs.16,479,850 is reflected in Profit & Loss Account (see Note Nos: 8 and 12 of financial statements) and Rs.19,701,591 transferred from Revaluation Reserve to inappropriate profit in statement of changes in equity.

Certificates of Musharika:

We are pleased to inform you that although we are considering to launch our campaign in the second half of March, 2011 for the collection of funds against Certificates of Musharika, but so far we have received over Rs.17 (M) till 26th February 2011. Our leverage of profit is much more compared to borrowings from Islamic Banks which will ultimately contribute additional profit for our certificate-holders.

Future Outlook:

The Management has made efforts to increase Morabaha financing during the current financial period and therefore we are very much optimistic that our income from financing will increase substantially in the remaining period of the financial year ending 30th June, 2011.

As usual, the Modaraba thanks for the consecutive patronage and cooperation of the Registrar Modarabas, Securities And Exchange Commission of Pakistan and State Bank of Pakistan alike on enlightening our ways to walk on.

The Modaraba also pays tributes to our sincere staff members for the accomplishment of the assigned task successfully.

for and on behalf of Board

Abdul Ghaffar Umer
Chief Executive Officer

Date: 28th February, 2011

Report on Review of Condensed Interim Financial Information Certificate Holders of First Paramount Modaraba

Introduction

We have reviewed the accompanying condensed interim balance sheet of First Paramount Modaraba as at 31 December 2010 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (the interim financial information). Management 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 interim financial information based on our review.

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 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.

The figures for the quarter ended 31 December 2010 in the condensed interim profit and loss account and statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The interim financial information for the six months period ended 31 December 2009 and financial statements for the year ended 30 June 2010 were reviewed and audited by an another firm of auditors whose reports dated 25 February 2010 and 5 October 2010 expressed an unqualified conclusion and opinion thereon respectively.

Date: 28th February, 2011

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Mohammad Nadeem

CONDENSED INTERIM BALANCE SHEET
as at December 31, 2010

	Note	31 December 2010 (Unaudited)	30 June 2010 (Audited) (Restated)	30 June 2009 (Audited) (Restated)
ASSETS				
NON - CURRENT ASSETS				
Operating fixed assets	4	**20,222,984**	18,176,360	59,509,743
Murabaha receivable	5	**56,655,006**	35,340,327	22,847,239
Long term deposit		**7,428**	3,000	3,125,657
		76,885,418	53,519,687	85,482,639
CURRENT ASSETS				
Cash and bank balances		**6,309,136**	30,310,261	17,113,256
Current portion of long term murabaha receivable	5	**95,300,711**	61,653,830	60,074,155
Short term murabaha receivable	6	**33,358,089**	40,283,783	57,694,738
Stores and spares		**687,709**	1,044,981	3,137,230
Trade debtors		**-**	-	1,377,999
Accrued profit		**148,704**	1,019,037	555,596
Advances, prepayments and other receivables		**8,777,753**	12,629,529	1,800,419
Assets of discontinued operation	8	**-**	48,080,867	-
		144,582,102	195,022,288	141,753,393
TOTAL ASSETS	Rupees	**221,467,520**	248,541,975	227,236,032
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Certificate Capital				
Authorised				
25,000,000 (30 June 2010: 25,000,000) Certificates of Rs. 10 each	Rupees	**250,000,000**	250,000,000	250,000,000
Issued, subscribed and paid-up		**58,633,330**	58,633,330	58,633,330
Capital reserves		**40,299,769**	56,126,819	50,277,200
Unappropriated profit		**36,649,671**	12,003,913	9,935,335
		135,582,770	126,764,062	118,845,865
LIABILITIES				
NON CURRENT LIABILITIES				
Long term murabaha finance		**-**	-	536,244
Security deposits		**-**	-	315,212
Deferred Murabaha income		**35,507,062**	18,155,190	14,905,682
		35,507,062	18,155,190	15,757,138
CURRENT LIABILITIES				
Creditors, accrued and other liabilities		**5,598,246**	3,904,503	13,948,762
Current portion of long term Murabaha finance		**-**	536,250	19,924,695
Short term Murabaha finance	7	**33,111,513**	35,971,595	46,498,640
Deferred liability - staff gratuity		**-**	-	667,908
Deferred Murabaha income		**2,460,654**	2,828,005	4,870,289
Payable to Modaraba Management Company - a related party		**2,145,422**	1,936,022	1,980,929
Unclaimed dividend		**7,061,853**	5,428,145	4,741,806
Liabilities of discontinued operation	8	**-**	53,018,203	-
		50,377,688	103,622,723	92,633,029
TOTAL EQUITY AND LIABILITIES	Rupees	**221,467,520**	248,541,975	227,236,032
Contingency and commitments	9			

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer **Director** **Director**

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
For the six months period ended 31 December 2010

	Notes	Six months period ended		Three months period ended	
		31 December 2010	31 December 2009	**31 December 2010**	31 December 2009
Operating income	10	**11,834,753**	11,389,723	6,967,951	6,471,420
Operating costs					
Depreciation on assets		**259,812**	228,073	132,753	97,880
Provision for doubtful recoveries		**263,566**	-	263,566	-
Administrative expenses		**4,224,786**	3,656,736	2,528,785	1,943,776
		(4,748,164)	(3,884,809)	(2,925,104)	(2,041,656)
		7,086,589	7,504,914	4,042,847	4,429,764
Other income	11	**394,674**	529,157	73,250	328,243
		7,481,263	8,034,071	4,116,097	4,758,007
Financial charges		**(2,435,883)**	(4,169,266)	(1,185,857)	(1,831,120)
Profit from continued operations		**5,045,380**	3,864,805	2,930,240	2,926,887
Gain on discontinued operation	12	**16,479,850**	6,788,602	16,625,415	3,612,529
		21,525,230	10,653,407	19,555,655	6,539,416
Modaraba company's management fee		**(2,152,523)**	(1,065,341)	(1,955,566)	(591,543)
Profit for the period	Rupees	**19,372,707**	9,588,067	17,600,090	5,947,873
Earnings per certificate - basic and diluted					
From continuing operation	Rupees	**0.77**	0.59	0.45	0.45
From discontinued operation	Rupees	**2.53**	1.04	2.55	0.55

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer **Director** **Director**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the six months period ended 31 December 2010

	Six months period ended		Three months period ended	
	31 December 2010	31 December 2009	**31 December 2010**	31 December 2009
Profit for the period	**19,372,707**	9,588,067	**17,600,090**	5,947,873
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income	**19,372,707**	9,588,067	**17,600,090**	5,947,873

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer **Director** **Director**

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
For the six months period ended 31 December 2010

	Note	31 December 2010	31 December 2009 (Restated)
Profit for the period		**19,372,707**	9,588,067
Adjustments for:			
Depreciation on property, plant and equipment		**1,191,029**	2,048,655
Provision for worker's welfare fund		**439,290**	(667,908)
Provision for doubtful recoveries		**263,566**	-
Financial charges		**2,435,883**	4,169,266
Gain on sale of discontinued operation		**(17,446,102)**	-
Gain on sale of assets in own use		**(49,037)**	(75,303)
Operating profit before working capital changes		**6,207,335**	15,062,777
(Increase) / decrease in assets			
- Stock in trade		**357,272**	1,237,879
- Accrued profit		**870,333**	(761,482)
- Advances, prepayments and other receivable		**3,851,776**	327,360
Increase / (decrease) in liabilities			
- Accrued and other liabilities		**1,985,722**	2,798,418
- Payable to modaraba management company.		**209,400**	785,835
Net cash (used in) / from operations		**13,481,838**	19,450,787
Increase / (decrease) in assets / liabilities of discontinued operation		**(30,069,994)**	-
Financial charges		**(2,803,234)**	(6,350,381)
Net cash from operating activities		**(19,391,390)**	13,100,406
Cash flows from investing activities			
Murabaha receivable-net		**(29,448,139)**	9,730,452
Long-term deposits		**(4,428)**	-
Capital expenditure including capital work in progress		**(3,306,280)**	(2,308,338)
Sale proceeds of assets of discontinued operations		**59,055,076**	-
Sale proceeds of assets in own use		**576,000**	310,000
Net cash (used in) / from investing activities		**26,872,229**	7,732,114
Cash flows from financing activities			
Murabaha financing repaid - net		**(2,860,082)**	(24,283,359)
Dividend paid		**(8,920,291)**	(408,977)
Transferred to retained earning on disposal		**(19,701,591)**	-
Security deposit		**-**	5,200
Net cash (used in) financing activities		**(31,481,964)**	(24,687,136)
Net (decrease) in cash and cash equivalents		**(24,001,125)**	(3,854,616)
Cash and cash equivalents at beginning of the period		**30,310,261**	17,113,256
Cash and cash equivalents at end of the period	Rupees	**6,309,136**	13,258,640

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer **Director** **Director**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the six months period ended 31 December 2010

		RESERVES					
	Certificate Capital	Merger Reserve	Statutory Reserve	Revaluation Reserve	Unappropriated Profit	Total reserves	Total equity
Balance as at 01 July 2009	58,633,330	1,935,160	28,640,449	19,701,591	9,935,333	60,212,533	118,845,863
Transactions with owners recorded directly in equity:							
- Profit distribution for the year ended 30 June 2009 @ Rs.1.50 per certificate	-	-	-	-	(8,795,000)	(8,795,000)	(8,795,000)
Total comprehensive income for the period - profit for the period	-	-	-	-	9,588,067	9,588,067	9,588,067
Balance as at 31 December 2009	58,633,330	1,935,160	28,640,449	19,701,591	10,728,400	61,005,600	119,638,930
Transferred to statutory reserve @ 35%	-	-	5,849,619	-	(5,849,619)	-	-
Total comprehensive income for the period - profit for the period	-	-	-	-	7,125,132	7,125,132	7,125,132
Balance as at 30 June 2010	58,633,330	1,935,160	34,490,068	19,701,591	12,003,913	68,130,732	126,764,062
Transactions with owners recorded directly in equity:							
- Profit distribution for the year ended 30 June 2010 @ Rs.1.80 per certificate	-	-	-	-	(10,553,999)	(10,553,999)	(10,553,999)
Total comprehensive income for the period - profit for the period	-	-	-	-	19,372,707	19,372,707	19,372,707
Transferred to statutory reserve @ 20%	-	-	3,874,541	-	(3,874,541)	-	-
Transferred to retained earnings (note 8)	-	-	-	(19,701,591)	19,701,591	-	-
Balance as at 31 December 2010 Rupees	**58,633,330**	**1,935,160**	**38,364,609**	**-**	**36,649,671**	**76,949,440**	**135,582,770**

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer **Director** **Director**

NOTES TO THE INTERIM FINANCIAL INFORMATION (UNAUDITED)
For the six months period ended 31 December 2010

1. LEGAL STATUS AND OPERATIONS

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 name "Advance Trading Corporation(ATC)".

1.1 CNG operators license was obtained in January, 1999 from Director General Gas, Government of Pakistan. During the six months period ended, the modaraba has discontinued its CNG project / business and disposed off its share in favor of of AM. Associates – Joint venture partner (note 8).

1.2 The financial statements 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 all 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 2010.

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 2010.

3. CORRECTION OF CLASSIFICATION

In accordance with IAS 1"Presentation of financial statements" which requires that a complete set of financial statements should comprise a balance sheet as at the beginning of the earliest comparative period when an entity reclassifies items in its financial statements. Long and short term murabaha receivable have been reclassified to deferred murabaha income and accordingly balance sheets for the years ended 30 June 2010 and 2009 have been presented in these condensed interim financial information.

	Note	31 December 2010 (Unaudited)	30 June 2010 (Audited)
4. OPERATING FIXED ASSETS			
Assets in own use- tangible	4.1	**19,672,984**	18,176,360
Capital work in progress- at cost		**550,000**	-
	Rupees	**20,222,984**	18,176,360
4.1 Additions and deletions made during the period are as follows:			
Additions during the period / year			
Plant and machinery		**2,143,035**	8,309,785
Furniture and fittings		**-**	6,095
Office equipment		**-**	285,981
Computer		**14,855**	63,270
Motor vehicles		**598,390**	1,407,239
	Rupees	**2,756,280**	10,072,370
Deletions (at book value) during the period / year			
Plant and machinery		**-**	1,588,438
Office equipment		**56,970**	16,843
Motor vehicles		**11,672**	951,632
	Rupees	**68,642**	2,556,913
5. LONG TERM MURABAHA RECEIVABLE			
Considered good - secured		**149,551,303**	97,002,229
Considered doubtful - secured		**5,665,185**	3,247,794
		155,216,488	100,250,023
Provision for doubtful recoveries		**(3,260,165)**	(3,255,866)
		151,956,323	96,994,157
Receivable within one year shown under current assets		**(95,300,711)**	(61,653,830)
Rupees		**56,655,006**	35,340,327

6. SHORT TERM MURABAHA RECEIVABLE

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. 2,311,750 has been deferred over the period of Murabaha arrangement. The Murabaha transaction was conducted by appointing customer as an agent and all the invoices/ purchase orders were issued in the name of customer.

		31 December 2010 (Unaudited)	30 June 2010 (Audited)
Considered good-secured		**32,180,905**	39,347,743
Considered doubtful - secured		**1,581,697**	1,459,938
		33,762,602	40,807,681
Provision for doubtful recoveries		**(403,641)**	(523,898)
	Rupees	**33,358,089**	40,283,783

7. SHORT TERM MURABAHA FINANCE

These facilities are available from banks amounting to Rs. 63 million (30 June 2010: Rs. 63 million). Profit on these facilities are 2% to 3.5% above 6 months to one year KIBOR with a floor of 14% to 24% (30 June 2010: 2% above 6 months to one year KIBOR with a floor of 14% to 24%) 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.

8. Discontinued Operation:

The CNG segment of First Paramount Modaraba comprising of two CNG stations and its operations considered as transfer to M/s: A.M.Associates due to dissolution of Association of Persons following the decision of the Board of Directors in its meeting held on 13.04.2010 to dissolve the Associations of Persons. As at 30 June 2010, the share of Modaraba in the disposal group comprised assets of Rs. 48,080,867 and liabilities of Rs. 53,018,203.

The memorandum of understanding dated 30th November 2010 signed by both parties and the Dissolution Deed is made and signed on 31st January, 2011. According to which all assets and liabilities of CNG operations agreed to transfer as on 30th November, 2010. The value of CNG business (net assets with all rights) was agreed by both the parties at Rs.100 million. The Modaraba has received amounting to Rs.59.055 million out of its share of 65% amounting to Rs.65 million for transfer of CNG business up to 31st December, 2010. Accordingly, the gain of Rs.17.446 million on the transfer of these assets has been recognized due to dissolution of Association of Persons.

First Paramount Modaraba

(An Islamic Financial Institution)

Half Yearly Report 2010

11. OTHER INCOME

This includes an amount of Rs.0.05 million in respect of musharaka management fee As per the arrangement, the Modaraba has contributed 52.09% of the required fund and Advance Trading Corporation has contributed 47.91%. The investor's group is responsible for the management of Generator project (renting out and sale of generators) for which a management fee of 15% of net profit of generator project after deducting 5% charity and 3% modaraba management fee will be charged by them. The agreement with the investor's group is still in process and yet to be finalised.

	Note	Six months period ended		Three months period ended	
		31 December 2010	31 December 2009	**31 December 2010**	31 December 2009
		---------- (Unaudited) ----------			
12. GAIN ON DISCONTINUED OPERATIONS					
Gain on the transfer of Assets of discontinued operation	8	**17,446,102**	-	**17,446,102**	-
Profit on CNG filling and conversion CNG project musharika	12.1	**(966,252)**	6,788,602	**(820,687)**	3,612,529
	Rupees	**16,479,850**	6,788,602	**16,625,415**	3,612,529
12.1 Profit on CNG filling and conversion CNG project musharika					
Gas filling		**22,477,853**	66,847,255	**7,741,331**	32,345,232
Conversion / trading		**230,000**	755,600	**81,000**	438,600
Others		**367,916**	515,188	**331,958**	436,288
Total sale		**23,075,769**	68,118,043	**8,154,289**	33,220,120
Less:					
Electricity charges		**4,852,135**	6,460,966	**2,098,638**	3,295,370
Diesel and oil		**521,380**	1,357,224	**274,242**	97,840
Gas		**14,462,475**	35,067,037	**5,557,824**	16,962,229
Store and spares		**18,330**	56,060	**-**	30,860
Consumption-kits and cylinders		**208,834**	705,240	**78,273**	439,641
		20,063,154	43,646,527	**8,008,977**	20,825,940
Gross profit		**3,012,615**	24,471,516	**145,312**	12,394,180
Less: Operating expenses					
Salaries and allowances / other benefits		**1,532,425**	3,443,490	**507,102**	1,879,342
Water charges		**4,400**	100,400	**-**	48,400
Repairs and maintenance		**154,503**	601,657	**28,970**	107,472
Rent, rates and taxes		**1,985,772**	2,390,200	**788,920**	1,065,000
Travelling and entertainment		**25,499**	115,320	**9,628**	47,678
Vehicle running and maintenance		**53,030**	67,850	**41,826**	51,348
Printing and stationery		**34,971**	112,620	**32,581**	76,140
Communication		**54,299**	54,966	**20,036**	25,350
Insurance		**100,143**	187,038	**38,527**	93,519
Legal and professional		**200,000**	-	**-**	-
Fee and subscription		**57,100**	144,784	**46,200**	92,900
Advertisement and publicity		**-**	53,217	**-**	33,356
Bank charges		**18,489**	17,418	**9,332**	14,576
Lease rental		**-**	560,294	**-**	213,288
Depreciation		**-**	1,705,918	**-**	864,811
Miscellaneous		**228,526**	460,820	**75,410**	178,623
5% charity		**-**	666,688	**-**	346,532
15% Pak CNG management fee		**50,000**	1,900,060	**50,000**	987,614
3% Modaraba's management fee		**-**	323,010	**-**	167,894
		4,499,157	12,905,750	**1,648,532**	6,293,843
Profit before tax		**(1,486,542)**	11,565,766	**(1,503,220)**	6,100,337
Withholding tax		**-**	(1,121,763)	**240,625**	(542,601)
Profit after tax	Rupees	**(1,486,542)**	10,444,003	**(1,262,595)**	5,557,736
Appropriation					
Share of investor group @ 35%		**(520,290)**	3,655,401	**(441,908)**	1,945,208
Share of modaraba @ 65%		**(966,252)**	6,788,602	**(820,687)**	3,612,528
	Rupees	**(1,486,542)**	10,444,003	**(1,262,595)**	5,557,736

12.2 Cash Flows of Discontinued Operations

		31 December 2010	31 December 2019
Cash flows (used in) / from operating activities	Rupees	**30,987,787**	4,478,363
Cash flows from / (used in) investing activities	Rupees	**59,005,076**	716,274
Cash flows (used in) financing activities	Rupees	**19,701,591**	-

13. MUSHARAKA ARRANGEMENTS

	Total		Share of the Modaraba	
	31 December 2010	30 June 2010	**31 December 2010**	30 June 2010
Generator Project				
Property, plant and equipment	**31,912,655**	29,569,226	**16,623,302**	15,402,610
Stock in trade	**1,320,232**	-	**687,709**	-
Long term deposit	**8,500**	-	**4,428**	-
Advances, prepayments and other receivables	**667,919**	213,596	**347,919**	111,262
Cash and bank balances	**2,918,024**	6,267,944	**1,519,999**	3,264,972
Total assets	**36,827,330**	36,050,766	**19,183,356**	18,778,844
Creditors, accrued and other liabilities	**(866,668)**	(291,945)	**(451,448)**	(152,074)
Net assets Rupees	**35,960,661**	35,758,821	**18,731,908**	18,626,770

The Modaraba started generator project with effect from 17 September 2008 agreement with the investor is still in process and not yet finalised.

As per the arrangement, the Modaraba has contributed 52.09% of the required fund and Advance Trading Corporation has contributed 47.91%. As per the arrangement, investor's group is responsible for the management of generator project (renting out and sale of generators) for which a management fee of 15% of net profit of generator project after deducting 5% charity and 3% Modaraba management fee will be charged by them.

14. TRANSACTION WITH RELATED PARTIES

Related parties of the Modaraba comprise the Modaraba management company [Paramount Investment Limited] and their directors and executives / officers. Details of transactions with related parties other than those which have been disclosed elsewhere in these condensed interim financial information are given below:

		Six months period ended	
		31 December 2010	31 December 2009
Relationship	**Nature of Transaction**	**(Un-audited)**	
Management company	Management fee	**2,152,523**	1,065,341
Management company	Fund received	**1,500,000**	650,000
Management company	Fund paid	**3,443,123**	849,507
Musharaka investor - Generator project	Share of profit	**721,461**	740,843
	Management fee	**50,395**	51,749
Musharaka investor - CNG project	Share of profit	**(918,513)**	6,788,602
	Management fee	**-**	323,010

15. 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.

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue on February 28, 2011 by the Board Directors of the Management Company.

Chief Executive Officer **Director** **Director**

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Half Yearly Report

for the period ended December 31, 2010

First Paramount Modaraba

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