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**First Paramount Modaraba**  
(An Islamic Financial Institution)

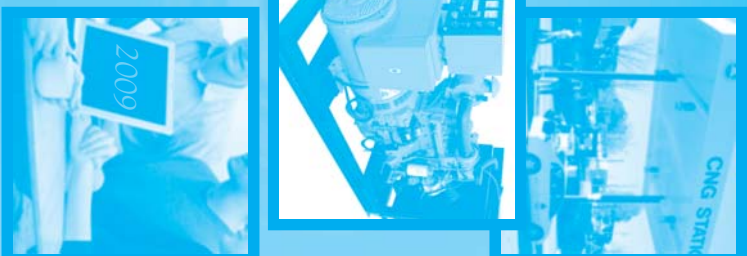
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Ph: 34381037 - 38 - 52 Fax: 34534410  
E-mail: [fpm@cyber.net.pk](mailto:fpm@cyber.net.pk)  
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# Quarterly Report

for the period ended  
September 30, 2009  
(Un-Audited)



**First Paramount Modaraba**  
(An Islamic Financial Institution)  
Managed by: Paramount Investments Limited



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## *Mission & Vision*

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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

Mr. 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. Mazhar-ul-Haq Siddiqui Company Secretary

Mr. Naseemuddin Zubairi Chief Financial Officer

### AUDIT COMMITTEE

Mr. 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



## **Directors' Report to the Certificate Holders**

We are pleased to forward herewith 1st Quarterly unaudited financial statements of First Paramount Modaraba for the period ended 30th September 2009.

We bring to the notice of certificate holders that over all income of Modaraba declined by Rs.302,483 for the period from Rs.4,566,663 (without capital gain) of previous fiscal quarter to Rs.4,264,180 due to (i) nominal decrease in profit from Morabaha finance, (ii) reduction of profit from CNG Musharika Project and (iii) increase in operating expenses due to adjustment of expenses of previous financial year.

However, we are pleased to inform you that the performance of Musharika Generators Rental Project is improved during the period and Modaraba's shares of profit comes to Rs.540,044 for the period which we expect to be better in the subsequent period.

At present, there is tough competition amongst CNG stations operators. Indications are also there that due to lack of availability of natural gas, government may curtail gas supply or reduction in operating hours for CNG filling stations and therefore profitability of Musharika CNG Project perhaps cannot be maintained at the existing level.

Mr. Mohammad Hussain Mehanti resigned due to personal reasons from the directorship of the Management Company in the month of July 2009. We very much appreciate for his guidance and contribution for the Management Company and First Paramount Modaraba. Mr. Ibrahim Qassim, a senior Chartered Accountant and renowned businessman has been inducted as director of your company (subject to approval of Registrar Modaraba). We hope that we will be able to benefit from his deep knowledge and diversified and rich experience as businessman and industrialist.

We applaud for the cooperation and guidance of Registrar Modaraba, State Bank of Pakistan, Securities and Exchange Commission of Pakistan, and for the sincere efforts put in by the staff members.

for and on behalf of Board

Date: 27th October, 2009

**Abdul Ghaffar Umer**  
Chief Executive Officer

**First Paramount Modaraba**  
(An Islamic Financial Institution)



**Balance Sheet**  
as at September 30, 2009 (Un-Audited)

	Note	Unaudited 30-Sep 2009	Audited 30-Jun 2009
..... Rupees .....			
<b>Assets</b>			
Current Assets			
Cash and Bank Balances		13,503,479	17,113,256
Current Portion of Long Term Morabaha Finance		42,701,916	47,974,253
Short Term Morabaha Finance		57,182,273	52,824,449
Stock In Trade		2,166,396	3,137,230
Trade Debtors		1,267,866	1,377,999
Accrued Profit		1,251,860	555,596
Advances, Prepayments and Other Receivables		2,314,320	1,800,419
<b>Total Current Assets</b>		<b>120,388,110</b>	<b>124,783,202</b>
Morabaha Finance		18,474,738	20,041,460
Long Term Deposit		3,125,657	3,125,657
Property, Plant and Equipment	5	60,269,066	59,509,743
<b>Total Assets</b>		<b>202,257,570</b>	<b>207,460,062</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors, Accrued and Other Liabilities		11,725,266	9,265,444
Current Portion of Long Term Morabaha Finance		13,990,424	19,924,695
Short Term Morabaha Finance		40,290,492	46,498,640
Profit Payable on Morabaha Finance		4,399,451	4,683,318
Payable to Modaraba Management Company		2,612,146	1,980,929
Unclaimed Dividend		4,539,798	4,741,806
Dividend Payable		8,795,000	-
<b>Total Current Liabilities</b>		<b>86,352,576</b>	<b>87,094,832</b>
<b>Non Current Liabilities</b>			
Long Term Morabaha Finance		376,559	536,244
Security Deposits		315,212	315,212
Deferred Liabilities - Staff Gratuity		898,178	667,908
<b>TOTAL LIABILITIES</b>		<b>87,942,525</b>	<b>88,614,196</b>
<b>NET ASSETS</b>		<b>114,315,045</b>	<b>118,845,865</b>
<b>REPRESENTED BY :</b>			
Certificate Capital		58,633,330	58,633,330
Capital Reserves		50,277,200	50,277,200
Unappropriated Profit		5,404,515	9,935,335
		<b>114,315,045</b>	<b>118,845,865</b>

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

Chief Executive

Director

Director

Quarterly Report 2009



**Profit & Loss Account**  
for the period ended September 30, 2009 (Un-Audited)

	Note	September 2009	September 2008
..... Rupees .....			
<b>Revenue</b>			
Profit on Morabaha Finance		4,918,303	5,132,121
Profit on CNG Project Musharika Finance	6	3,260,016	3,869,935
Profit on Generator Project	7	540,044	-
Profit on Bank Deposits		5,075	9,607
Musharika Management Fee	6 & 7	192,839	184,137
Gain on disposal of property, plant and equipment		-	4,775,590
Other Income		3,000	17,700
		8,919,277	13,989,090
<b>Expenses</b>			
Operating Expenses		1,843,153	1,332,032
Profit To Morabaha Investors		2,338,146	2,602,220
Other Provision		-	205,178
		4,181,299	4,139,430
Operating Profit		4,737,978	9,849,660
Modaraba Company's Management Fee		(473,798)	(984,966)
Profit before Taxation		4,264,180	8,864,694
Taxation		-	-
Profit for the Year		4,264,180	8,864,694
Earnings per Certificat (Basic and diluted)		0.73	1.51

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

Chief Executive

Director

Director



**Cash Flow Statement**  
for the period ended September, 2009 (Un-Audited)

	September 2009	September 2008
	..... Rupees .....	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,264,180	8,864,694
Adjustments for:		
Profit on morabaha finance	2,338,146	2,602,220
Depreciation	1,054,300	740,582
Provision for gratuity	230,270	121,848
Other Provisions	-	205,178
	<u>7,886,896</u>	<u>12,534,522</u>
(Increase) / decrease in current assets		
Stock in trade	970,834	278,896
Trade debtors	110,134	(423,785)
Accrued profit	(696,264)	149,590
Advances, prepayments and other receivables	(513,901)	(262,152)
	<u>(129,198)</u>	<u>(257,451)</u>
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	2,459,821	6,353,543
Payable to modaraba management company	631,217	1,096,580
	<u>3,091,038</u>	<u>7,450,123</u>
Cash generated from operations	<u>10,848,736</u>	<u>19,727,194</u>
Staff gratuity paid	-	(17,000)
Net cash flow from operating activities	<u>10,848,736</u>	<u>19,710,194</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,813,623)	(862,497)
Capital Work in Progress	-	(6,159,633)
Proceeds from sale of property, plant and equipment	-	10,465,000
Long term morabaha finance	6,839,059	(8,695,686)
Musharika Finance	-	1,050,000
Short-term morabaha finance	(4,357,824)	(11,247,567)
Net cash flow from / (used in) investing activities	<u>667,612</u>	<u>(15,450,383)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit paid on morabaha financing	(2,622,013)	(1,985,915)
Long term morabaha finance	(6,093,956)	(5,778,467)
Short-term morabaha finance	(6,208,148)	12,359,916
Dividend paid	(202,008)	(8,228,271)
Net cash used in financing activities	<u>(15,126,125)</u>	<u>(3,632,737)</u>
Net decrease in cash and cash equivalents (A+B+C)	<u>(3,609,777)</u>	<u>627,075</u>
Cash and cash equivalents at the beginning of the year	<u>17,113,256</u>	<u>12,626,394</u>
Cash and cash equivalents at the end of the year	<u>13,503,479</u>	<u>13,253,469</u>

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

Chief Executive

Director

Director





**Statement of Changes in Equity**  
**for the period ended September 30, 2009 (Un-Audited)**

	Share Capital	Merger Reserve	Statutory Reserve	Revaluation Reserve	Unappropriated Profit	Total
<b>BALANCES AS AT JULY 01 2008</b>	58,633,330	1,935,160	19,591,654	19,701,591	9,095,208	108,956,944
Profit Distribution Declared for the year ended June 30, 2008	-	-	-	-	(8,208,666)	(8,208,666)
Profit for the year 2008-09	-	-	-	-	18,097,587	18,097,587
Transferred to Statutory Reserve			9,048,794	-	(9,048,794)	-
<b>BALANCES AS AT JUNE 30 2009</b>	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 Quarter ended 30th Sept 2009	-	-	-	-	4,264,180	4,264,180
<b>BALANCES AS AT SEPTEMBER 30 2009</b>	58,633,330	1,935,160	28,640,449	19,701,591	5,404,515	114,315,045

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

**Chief Executive**

**Director**

**Director**



**Notes to the Accounts  
for the period ended September 30, 2009 (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) during the year.
- 1.2** The Modaraba obtained CNG operators license in January, 1999 from Director General Gas, Government of Pakistan and is operating 2 CNG stations.
- 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, 2009.
- 4.** These interim financial statements are Unaudited and prepared as required under clause (xxi) of Code of Corporate Governance.



**5. OPERATING ASSETS SCHEDULE**  
**First Paramount Modaraba**  
**For the Period July 2009 to September 2009**

PARTICULARS	Cost at	Additions	Cost at	Accumulated	For the	Accumulated	Written Down
	1-Jul-09	during the	30-Sep-09	Depreciation	Period	Depreciation	Value at
		Period		1-Jul-09	Period	30-Sep-09	30-Sep-09
Land	22,926,475	-	22,926,475	-	-	-	22,926,475
Building	5,639,904	-	5,639,904	2,075,937	117,254	2,193,191	3,446,712
Plant & Machinery	40,228,105	1,803,483	42,031,588	10,210,000	809,318	11,019,318	31,012,270
Computers	1,055,439	10,140	1,065,579	796,008	20,768	816,776	248,803
Office Equipment	740,047	-	740,047	257,816	11,734	269,550	470,497
Furniture & Fixture	1,021,898	-	1,021,898	346,493	16,007	362,500	659,398
Vehicle	2,958,778	-	2,958,778	1,374,649	79,218	1,453,867	1,504,911
	<b>74,570,646</b>	<b>1,813,623</b>	<b>76,384,269</b>	<b>15,060,903</b>	<b>1,054,300</b>	<b>16,115,203</b>	<b>60,269,066</b>

**First Paramount Modaraba**  
(An Islamic Financial Institution)



**6. Profit on CNG Project Musharika**

	Gas Filling	Kit Conversion	Total	Jul - Sept 2008
Gas Filling	34,502,023		34,502,023	36,221,770
Conversion / Trading		317,000	317,000	1,684,500
Others	78,900		78,900	5,500
<b>Total Sale</b>	<b>34,580,923</b>	<b>317,000</b>	<b>34,897,923</b>	<b>37,911,770</b>
Less:				
Electricity Charges	3,165,596	-	3,165,596	1,693,578
Diesel & Oil	1,259,384	-	1,259,384	3,400,884
Gas	18,104,808	-	18,104,808	18,066,980
Store and spares	-	25,200	25,200	54,400
Consumption-Kits & Cylinders	-	265,599	265,599	1,317,570
	<b>22,529,788</b>	<b>290,799</b>	<b>22,820,587</b>	<b>24,533,412</b>
<b>Gross Profit</b>	<b>12,051,135</b>	<b>26,201</b>	<b>12,077,336</b>	<b>13,378,358</b>
<b>Less: Operating Expenses</b>				
Salaries & Allowances / Other Benefits	1,564,148	-	1,564,148	1,764,316
Water Charges	52,000	-	52,000	42,165
Repairs & Maintenance	494,185	-	494,185	352,921
Rent, Rates & Taxes	1,325,200	-	1,325,200	1,266,756
Travelling & Entertainment	67,642	-	67,642	38,952
Vehicle Running & Maintenance	16,502	-	16,502	23,525
Printing & Stationery	36,480	-	36,480	5,680
Communication	29,616	-	29,616	25,735
Insurance	93,519	-	93,519	107,845
Legal & Professional	-	-	-	25,000
Fee & Subscription	51,884	-	51,884	45,814
Advertisement & Publicity	19,861	-	19,861	10,750
Bank Charges	2,842	-	2,842	44,830
Lease Rental	282,431	-	282,431	284,062
Depreciation	841,107	-	841,107	975,703
Miscellaneous	217,630	-	217,630	227,322
5% charity	320,156	-	320,156	380,055
15% Pak CNG Management Fee	912,446	-	912,446	1,083,156
3% Modaraba's Management Fee	155,116	-	155,116	184,137
	<b>6,465,464</b>	<b>-</b>	<b>6,482,765</b>	<b>6,888,724</b>
<b>Profit before Tax</b>	<b>5,568,370</b>	<b>26,201</b>	<b>5,594,571</b>	<b>6,489,634</b>
<b>Less: Withholding Tax</b>	<b>(579,162)</b>	<b>-</b>	<b>(579,162)</b>	<b>(535,888)</b>
<b>Profit after Tax</b>	<b>4,989,208</b>	<b>26,201</b>	<b>5,015,409</b>	<b>5,953,746</b>
Licence fee @ 35%	1,746,223	9,170	1,755,393	2,083,811
<b>Net Profit of the Modaraba</b>	<b>3,242,985</b>	<b>17,031</b>	<b>3,260,016</b>	<b>3,869,935</b>



**7. Profit on Generator Project  
July 2009 to September 2009**

	September 2009	September 2008
	..... Rupees .....	
Rental Income	3,875,056	-
Trading Income	61,840	-
Other Income	163,000	-
<b>Total Sale</b>	<b>4,099,896</b>	
<b>Less: Operating Expenses</b>		
Salaries & Allowances / Other Benefits	663,949	-
Repairs & Maintenance	615,962	-
Insurance	180,576	-
Transportation	261,503	-
Rent, Rates & Taxes	75,000	-
Advertisement & Publicity	75,918	-
Printing & Stationery	8,007	-
Communication	9,477	-
Legal & Professional	15,000	-
Utilities	19,404	-
Depreciation	724,492	-
Miscellaneous	126,996	-
5% charity	66,181	-
3% Modaraba's Management Fee	37,723	-
15% ATC Management Fee	182,956	-
	<u>3,063,144</u>	
<b>Net Profit / Loss</b>	<b><u>1,036,752</u></b>	<b>-</b>
<b>Share of Modaraba @ 52.09%</b>	<b>540,044</b>	<b>-</b>
<b>47.91% Profit of the Investor</b>	<b>496,708</b>	

**8. Date of Authorization:**

These un-audited financial statements for the quarter ended September 30, 2009 have been approved by the Board of Directors of the management company on October 27, 2009.

**9. General**

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Director