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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 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.

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► Corporate Information

MODARABA COMPANY Paramount Investments Limited

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

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

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AUDITORS OF THE MODARABA

M/s. Yousuf Adil Saleem & Co.
Chartered Accountants

AUDITORS OF THE MODARABA COMPANY

M/s. Rahim Jan & Co.
Chartered Accountants

SHARIAH ADVISORS

Mufti Abdul Sattar Laghari (Map)

LEGAL ADVISORS

M/s. Raja Qasit Nawaz, Advocates

BANKERS

Al-Baraka Islamic Bank B.S.C. (E.C.) Pakistan
Bank Islami Pakistan Limited
Bank Al-Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited

REGISTERED OFFICE

Suit # 107, 108, 1st Floor, P.E.C.H.S. Community Office Complex,
Block-2 PECHS, Shakra-e-Quaideen, Karachi.
Ph: 34381037 - 38 - 52 Fax: 34534410
E-mail: fpm@cyber.net.pk
Web: www.fpm.com.pk

REGISTRAR

THK ASSOCIATES (PVT) LTD.
Ground Floor, State Life Building No. 3,
Dr. Ziauddin Ahmed Road, Karachi - 75530.
Tel: 111-000-322 Fax: 35655595



► Directors' Report

We, with the sentiments of gratitude in the Court of Allah, are daring to present 15th Annual Report as well as the Audited Financial Statements of First Paramount Modaraba for the year ended 30th June, 2010, with the announcement of an increase in dividend of Rs.1.80 per certificate from Rs.1.50 for the previous year. Your Modaraba managed to earn all time high operational profit of Rs.2.85 per certificate.

Performance of Modaraba:

Al-Hamdo Lillah, the efforts and policies of the Board of Directors and the Management proved to be successful as evident from the following comparative figures of the last five years :-

S.No:	Category	2010	2009	2008	2007	2006
1.	Gross Morabaha Profit	20,711,770	23,682,441	16,804,035	9,497,606	8,246,271
2.	Operating Profit	16,097,587	13,811,373	12,359,398	8,393,956	11,731,435
3.	Operating Profit per certificate.	2.85	2.36	2.11	1.43	2.00
4.	Cash Dividend per certificate.	18%	15%	14%	11%	15%

It is also the policy of the Management to increase constantly the rate of dividend for our certificate holders and with the Grace & Mercy of Allah, we hope to be able to maintain the policy in the years to come.

Generators Project:

During the year, the earning from this project improved substantially and Insha Allah further escalation in profit is expected during the financial year ending on 30th June, 2011.

Disposal of CNG Stations and suspension of CNG activities:

- Your directors have decided to come out of the business of operation of CNG stations due to stern and intense competition in the market, reduction in gross margin coupled with higher overheads, threat of gas load-shedding etc.



- ii) The overall future of CNG industry seems to be very gloomy due to reducing national gas reserves.
- iii) We received attractive offer from group of investors to take-over the control of both the CNG stations which the Board of Directors thought to be very lucrative under the existing over all market conditions.
- iv) The Board was also satisfied that due to expected cash inflow of over Rs.65 million on account of disposal of both the CNG stations, the Modaraba would be able to generate Insha Allah sufficient Morabaha financing income not only to off-set the loss of income from the discontinuation of CNG operation, but there will be some saving as well which will increase our over all operating profit.
- v) Draft Agreement is at final stage with the consultants and is expected to be finalized within a month period. However, the Modaraba has received so far a sum of Rs.54 Million upto 30th September, 2010 against the proceeds for disposal of CNG stations.

Certificates of Musharika (COM):

- (i) We are pleased to inform to all our stake-holders that we have been granted permission by the Registrar (Modarabas), Securities And Exchange Commission of Pakistan, Islamabad, to issue Musharika Certificates for a minimum period of not less than 3 months.
- (ii) We are planning to issue Certificates of Musharika (COM) and to launch our campaign in November 2010 to generate liability based Musharika funds for our business activities.
- (iii) We can borrow funds upto 10 times of equity of Modaraba, due to which we will be able to solve our problems of liquidity to cater our demand for expanding our business activities.
- (iv) Borrowing through Certificate of Musharika will provide us additional leverage of 4% to 6% over bank financing which will accelerate our profit margin.

The Board wishes with the depth of sincerity and honesty to thank the Registrar Modarabas, Securities And Exchange Commission of Pakistan, Islamabad, and State Bank of Pakistan, for their consecutive cooperation. On this occasion, the Board also cannot forget the signal services of the entire staff of Modaraba.

For and on behalf of Board

Karachi
Dated: 05th October, 2010

Abdul Ghaffar Umer
Chief Executive

First Paramount Modaraba
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Key Operating & Financial Data

Particulars	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Paid up Capital	50,000,000	50,000,000	50,000,000	50,000,000	58,633,330	58,633,330	58,633,330	58,633,330	58,633,330	58,633,330
Certificate Holders										
Equity	56,174,378	56,192,242	58,066,776	59,633,882	79,930,727	83,746,663	103,047,210	108,956,943	118,845,865	126,764,062
Current Liabilities	11,090,453	20,627,363	37,260,999	35,154,932	21,567,497	19,530,297	45,489,658	78,898,671	87,094,832	100,794,718
Total Liabilities	20,593,027	33,227,740	37,288,639	47,743,485	28,463,506	22,232,915	62,144,383	96,826,807	88,614,196	100,794,718
Fixed Assets	15,938,543	17,789,854	18,004,672	19,795,301	19,790,319	29,347,504	53,122,040	53,830,034	59,509,743	63,355,555
Current Assets	45,517,103	44,334,022	60,309,010	62,555,536	61,782,950	66,785,314	79,873,148	107,104,856	124,783,202	134,296,072
Total Assets	76,767,405	89,419,982	95,355,415	107,377,367	108,394,234	105,979,579	165,191,592	205,783,751	207,460,061	227,558,780
Operating Profit	6,757,437	6,395,004	9,175,038	8,569,255	10,645,672	13,068,262	9,342,801	13,732,666	20,108,430	18,570,219
Profit before Tax	6,027,693	5,841,904	8,374,534	7,817,106	9,728,356	11,761,435	8,408,521	12,359,399	18,097,587	16,713,197
Taxation	-	824,040	-	-	-	30,000	14,566	-	-	-
Profit after Tax	6,027,693	5,017,864	8,374,534	7,817,106	9,728,356	11,731,435	8,393,956	12,359,399	18,097,587	16,713,197
Dividend	10%	10%	13%	12.5%	13.5%	15.0%	11.0%	14.0%	15.0%	18.0%
Earning per Certificate	1.21	1.00	1.67	1.56	1.66	2.00	1.43	2.11	3.09	2.85
Break-up Value	11.23	11.24	11.61	11.93	13.63	14.28	17.57	18.58	20.27	21.62



STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2010

This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed entry is managed in compliance with the best practice of corporate governance.

The Paramount Investment limited (the Management Company), Manager of First Paramount Modaraba (the Modaraba) has applied principles contained in the code in the following manner.

1. The Management Company encourages representation of independent non-executive directors on its Board of Directors. At present the Board has 09 directors which include all independent non-executive directors.
2. The directors have confirmed that none of them is serving as director in more than ten listed companies.
3. All the directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, DFI or an NBFI and none is a member of any stock exchange.
4. A casual vacancy occurring in the Board on July 21, 2009 was filled up by the directors within 30 days thereof.
5. The Management Company has prepared a 'Statement of Ethics and Business Practices' which has been signed all the directors of the Management Company and all employees of the Modaraba.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies for the Modaraba. A complete record of particulars of significant policies along with the dates on which were approved or amended has been maintained.
7. All the powers of the Board have been exercised and decisions on material transactions, including appointment and determination of remuneration and terms of conditions of the employment of the CEO have been taken by the Board.
8. The meetings of the Board was presided over by the Chairman and held at least once in every quarter. Written notices of the Board meeting, along with agenda and working papers, were circulated at least seven days before meetings. The minutes of the meeting were appropriately recorded and circulated.
9. The directors have provided with the copies of Modaraba companies and Modaraba (Floatation and control) Ordinance, 1980, Companies Credence, 1984, Listing Regulations, code of Corporate Governance, Prudential Regulations, Company's Memorandum and Article of Association, Prospectus and all other relevant rules and regulations and hence are conversant with the relevant laws applicable to Modaraba, its policies and procedures and are aware of their duties and responsibilities.
10. The Board has approved appointment of CFO and a firm of Chartered Accountants as Internal Auditor, including their remuneration and terms and conditions of employment as determined by the CEO. There has been no new appointment during the year.

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11. The director's report of the Modaraba for this year has been prepared in compliance with the requirements of the code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Modaraba were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the certificates of the Modaraba other than that disclosed in the pattern of Certificate holdings.
14. The Modaraba has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It comprises of three members; all of them are non-executive directors including the chairman of the committee.
16. The meeting of the audit committee were held at least once every quarter prior to approval of interim and final result of the Modaraba and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for the compliance.
17. The Board has set- up an internal audit function through appointment of a firm of Chartered Accountants that is considered suitably qualified and experienced for the purpose and is conversant with polices and procedures of Modaraba.
18. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold certificates of the Modaraba and that the firm and all its partners are in compliance with International Federation of Accounts (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the person associated with them have not been appointed to provide other services and the auditors have confirmed that observed IFAC guidelines in this regard.
20. The related party transactions have been placed before the audit committee and approved by the Board of Directors with necessary justification for non arm's length transactions and pricing methods for transactions that were made on terms equivalent to those that prevail in the arm's length transactions only if such terms can be substantiated.
21. We confirm that all other material principles contained in the code have been compliance.

Abdul Ghaffar Umer
Chief Executive Officer

Karachi:
Dated: October 05, 2010



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Paramount Investments Limited (the Modaraba Company)** representing **First Paramount Modaraba (Islamic Financial Institution) [the Modaraba]** to comply with the relevant Listing Regulations of the Karachi and Islamabad Stock Exchanges, where the Modaraba is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Modaraba Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Modaraba personnel and review of various documents prepared by the Modaraba to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

The Code of Corporate Governance requires Board of Directors to approve related party transactions bifurcating between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price. In this connection we are only required and have ensured compliance of requirement to the extent of Board of Directors approving the related party transactions in the aforesaid manner. We have not carried out any procedures to enable us to express an opinion as to whether the related party transactions were carried out at arm's length price.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Modaraba's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Modaraba for the year ended June 30, 2010.

M. Yousuf Adil Saleem & Co.

Chartered Accountants

Karachi

Dated: October 05, 2010



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **First Paramount Modaraba** as at June 30, 2010 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

These financial statements are the Modaraba Company's [Paramount Investments Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a. in our opinion, proper books of accounts have been kept by the Modaraba company in respect of First Paramount Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- b. in our opinion:
 - i. the balance sheet and the related profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of account and are further in agreement with accounting policies consistently applied;
 - ii. the expenditure incurred during the year was for the purpose of the Modaraba's business; and

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- iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;
- c. in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2010 and of the profit, its cash flows and changes in equity for the year then ended; and
- d. in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Chartered Accountants

Engagement Partner:

Mushtaq Ali Hirani

Karachi

Dated: October 05, 2010

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Balance Sheet as at June 30, 2010

	Note	2010 Rupees	2009 Rupees
ASSETS			
Current Assets			
Cash and bank balances	5	30,310,261	17,113,256
Current portion of long term murabaha finance	6	48,934,814	47,974,253
Short term murabaha finance	7	37,455,778	52,824,449
Stock in trade	8	1,044,981	3,137,230
Trade debtors	9	-	1,377,999
Accrued profit		1,019,037	555,596
Advances, prepayments and other receivables	10	12,629,529	1,800,419
		131,394,400	124,783,202
Non Current Assets			
Murabaha finance	6	29,904,153	20,041,459
Long term deposits		3,000	3,125,657
Property, plant and equipment	11	18,176,360	59,509,743
		48,083,513	82,676,859
Assets of discontinued operations classified as held for sale	12	48,080,867	-
Total Assets		<u>227,558,780</u>	<u>207,460,061</u>
LIABILITIES			
Current Liabilities			
Creditors, accrued and other liabilities	13	2,133,936	9,265,444
Current portion of long term murabaha finance	14	536,250	19,924,695
Short term murabaha finance	15	35,971,594	46,498,640
Deferred liability - staff gratuity		-	667,908
Profit payable on murabaha finance		1,770,567	4,683,318
Payable to Modaraba management company		1,936,022	1,980,929
Unclaimed dividend		5,428,146	4,741,806
		47,776,515	87,762,740
Non Current Liabilities			
Long term murabaha finance	14	-	536,244
Security deposits		-	315,212
		-	851,456
Liabilities of discontinued operations classified as held for sale	12	53,018,203	-
Total Liabilities		<u>100,794,718</u>	<u>88,614,196</u>
NET ASSETS		<u>126,764,062</u>	<u>118,845,865</u>
REPRESENTED BY:			
Certificate capital	16	58,633,330	58,633,330
Capital reserves	17	56,126,819	50,277,200
Unappropriate Profit		12,003,913	9,935,335
		<u>126,764,062</u>	<u>118,845,865</u>
Contingency and commitments	19		

The annexed notes from 1 to 32 form an integral part of these financial statements.

Chief Executive Officer

Director

Director

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► Profit and Loss Account for the year ended June 30, 2010

	Note	2010 Rupees	2009 Rupees
Continuing Operations			
REVENUE			
Profit on murabaha finance		20,711,770	23,682,441
Profit on musharaka finance		-	222,036
Profit/(loss) from generator project	19	1,535,096	(2,127,266)
Profit on bank deposits		130,389	154,417
Musharaka management fee	19 & 22	642,584	560,817
Gain on disposal of property, plant and equipment	20	439,901	5,013,116
Other income		76,498	193,085
		<u>23,536,238</u>	<u>27,698,646</u>
EXPENSES			
Operating expenses	21	8,500,905	6,678,646
Profit to murabaha investors		7,468,959	10,462,595
(Reversal)/provision against doubtful recoveries		(128,812)	1,944,297
Worker's Welfare Fund		376,355	-
		<u>16,217,407</u>	<u>19,085,538</u>
Profit from continuing operations		7,318,831	8,613,108
Discontinued Operations			
Profit from discontinued operations	22	11,251,388	11,495,322
Profit before management fee		<u>18,570,219</u>	<u>20,108,430</u>
Modaraba company's management fee		(1,857,022)	(2,010,843)
Profit for the year*		<u>16,713,197</u>	<u>18,097,587</u>
Other comprehensive income		-	-
Total comprehensive income for the year		16,713,197	18,097,587
Earnings per certificate			
Basic and diluted			
From continuing operation	23	1.12	1.33
From discontinued operation	23	1.73	1.76
Total earning per certificate		<u>2.85</u>	<u>3.09</u>

* For more than 90% profits distribution please see note 24

The annexed notes from 1 to 32 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



Cash Flow Statement for the year ended June 30, 2010

	2010 Rupees	2009 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,713,197	18,097,587
Adjustments for:		
Profit on murabaha finance	7,468,959	10,462,595
Depreciation on property, plant and equipment	3,669,737	2,765,047
Provision for staff retirement gratuity	-	77,981
Gain on disposal of property, plant and equipment	(439,901)	(5,013,116)
(Reversal) / provision against doubtful recoveries	(128,812)	1,944,297
Other provisions	-	(30,000)
	<u>27,283,180</u>	<u>28,304,391</u>
(Increase)/decrease in current assets		
Continuing Operations		
Stock in trade	2,092,249	(2,168,717)
Trade debtors	1,377,999	11,468
Accrued profit	(463,441)	657,221
Advances, prepayments and other receivables	(10,829,110)	(718,706)
Discontinued Operations		
Stock in trade	(471,136)	-
Trade debtors	(909,112)	-
Advances, prepayments and other receivables	(370,924)	-
	<u>(9,573,475)</u>	<u>(2,218,734)</u>
Increase/(decrease) in current liabilities		
Continuing Operations		
Creditors, accrued and other liabilities	(7,131,508)	(481,086)
Payable to modaraba management company	(44,907)	(282,338)
Discontinued Operations		
Creditors, accrued and other liabilities	9,721,565	-
	<u>2,545,150</u>	<u>(763,424)</u>
Cash generated from operations	<u>20,254,855</u>	<u>25,322,233</u>
Staff Gratuity	(667,908)	(17,000)
Net cash flow from operating activities	<u>19,586,947</u>	<u>25,305,233</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,072,380)	(14,050,139)
Proceeds from disposal of property, plant and equipment	2,996,724	10,588,500
Advance against disposal of CNG	42,930,076	-
Long term murabaha finance - net	(10,823,255)	9,119,415
Long-term deposits	2,807,445	451,300
Deposit discontinued operations	(783,938)	-
Musharaka finance	-	3,150,000
Short-term Murabaha finance - net	15,368,671	(3,926,017)
Net cash flow from investing activities	<u>42,423,343</u>	<u>5,333,059</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid on murabaha financing	(10,381,710)	(11,133,633)
Long term murabaha finance - net	(20,152,548)	(39,077,114)
Short-term murabaha finance - net	(10,170,375)	31,810,853
Dividend paid	(8,108,652)	(7,751,536)
Net cash flow used in financing activities	<u>(48,813,285)</u>	<u>(26,151,430)</u>
Net increase in cash and cash equivalents (A+ B+ C)	13,197,005	4,486,862
Cash and cash equivalents at beginning of the year	17,113,256	12,626,394
Cash and cash equivalents at end of the year	<u>30,310,261</u>	<u>17,113,256</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



Statement of Changes in Equity for the year ended June 30, 2010

	Certificate Capital	RESERVES			Unappropriated profit	Total
		Merger reserve	Statutory Reserve	Revaluation reserve		
<..... (Rupees)>						
Balance at June 30, 2008	58,633,330	1,935,160	19,591,655	19,701,591	9,095,208	108,956,943
Profit distribution @ Rs.1.4 per certificate declared for the year ended June 30, 2008	-	-	-	-	(8,208,666)	(8,208,666)
Profit for the year	-	-	-	-	18,097,587	18,097,587
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	9,935,335	118,845,865
Profit distribution @ Rs.1.5 per certificate declared for the year ended June 30, 2009	-	-	-	-	(8,795,000)	(8,795,000)
Profit for the year	-	-	-	-	16,713,197	16,713,197
Transferred to statutory reserve	-	-	5,849,619	-	(5,849,619)	-
Balance at June 30, 2010	58,633,330	1,935,160	34,490,068	19,701,591	12,003,913	126,764,062

The annexed notes from 1 to 32 form an integral part of these financial statements.

Chief Executive Officer

Director

Director



► Notes to the Financial Statements for the year ended June 30, 2010

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 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.
- 1.3 The financial statements are presented in Pak rupees, which is the modaraba's functional and presentation currency.

2. STATEMENT OF COMPLIANCE

- 2.1 These financial statements 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 Accountants 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 SECP has deferred the application of IAS 17 "Leases" and specific requirements of IAS 39 "Financial Instruments, Recognition and Measurement" for recognition of unrealized gain on "held for trading" investments for Modarabas.



2.2 Adoption of new International Financial Reporting Standards

IAS 1 (Revised), 'Presentation of financial statements' is effective from January 1, 2009. The revised standard prohibits the presentation of items of income and expenses (i.e., 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Modaraba has applied IAS 1 (revised) from July 1, 2009 and has adopted to present one performance statement.

The Modaraba does not have any item of income & expenses representing other comprehensive income, therefore, comprehensive income is equal to the net income/(loss) reported for all period presented and accordingly restated statement of assets and liabilities has not been prescribed.

IFRS 8 replaces IAS 14 and requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Modaraba considers itself as a 3 operating segment modaraba and the Modaraba's performance is evaluated on an overall basis. The adoption of this standard has no impact on the Modaraba's financial statement.

2.3 Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has no significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

Amendments to IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance	January 01, 2009
Amendments to IAS 40 - Investment Property	January 01, 2009
Amendments to IAS 23 - Borrowing Costs	January 01, 2009
IFRS 2 - Share-based Payment : Vesting Conditions and Cancellations	January 01, 2009



IFRS 3 - Business Combinations (Revised) and IAS 27 - Consolidated and Separate Financial Statements (Amended) including consequential amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39	July 01, 2009
IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations	July 01, 2009
IAS 32- Financial Instruments : Presentation and IAS 1 Puttable Financial Instruments and Obligations arising on Liquidation	January 01, 2009
IAS 38 - Intangible Assets	January 01, 2009
IAS 39 - Financial Instruments : Recognition and Measurement - Eligible Hedged Items	July 01, 2009
IFRIC 9 - Remeasurement of Embedded derivatives and IAS 39 Financial Instruments : Recognition and Measurement	July 01, 2009
IFRIC 15 - Agreements for the Construction of Real Estate	January 01, 2009
IFRIC 17 - Distribution of Non-cash Assets to Owners	July 01, 2009
IFRIC 18 - Transfers of Assets from Customers	July 01, 2009

2.4 Standards, amendments and interpretations to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards and Interpretations as notified by the Securities and Exchange Commission of Pakistan are only effective for accounting periods, beginning on or after the date mentioned against each of them :

IFRS 9 - Financial Instruments	January 01, 2013
Amendments to IFRS 2 - Share based Payment	January 01, 2010



Amendments to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations	January 01, 2010
Amendments to IAS 7 - Statement of Cash Flows	January 01, 2010
Amendments to IAS 17 - Leases	January 01, 2010
Amendments to IAS 24 - Related Party Disclosures	January 01, 2010
IFRIC – 17 Distributions of Non-cash Assets to Owners	July 01, 2009
Revised IFRS 3 – Business Combinations	July 01, 2009
Amendment to IAS 32 - Financial Instruments: Presentation – Classification of Rights Issues	February 01, 2009
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	July 01, 2009
Amendments to IFRIC 14 IAS 19 - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction	January 01, 2010

There are other amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after January 1, 2010 but are considered not to be relevant or to have any significant effect on the Modaraba's operations and are therefore not detailed in these financial statements.

3. BASIS OF PREPARATION

3.1 Accounting convention

These financial statements have been prepared under the "historical cost convention" except for lease hold land which have been include at revalued amount.



3.2 Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Modaraba's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods effective. In the process of applying the Modaraba's accounting policies, management has made the estimates and judgments on determining the residual values and useful lives of property, plant and equipment (refer notes 4.1 & 11).

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

Property, plant and equipment except land are stated at cost less accumulated depreciation and impairment loss if any. Land is stated at revalued amount.

Assets' residual values, if significant and their useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Depreciation is charged to profit and loss account applying the reducing balance method. In respect of additions and disposals during the year, depreciation is charged proportionately for the period of use.

Surplus arising on revaluation is credited to revaluation reserve.

Maintenance and normal repairs are charged to income as and when incurred as income or expense. Gain or loss on disposal of assets, if any, are recognised as income or expense.

All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are stated at cost and transferred to specific assets as and when these assets are available for use.



4.2 Stock in trade

Stock-in-trade are valued at the lower of cost and net realizable value. Cost is determined using weighted average basis except for those in transit which are stated at invoice price plus other charges paid thereon upto the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.3 Trade debtors and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad or irrecoverable are written off when identified.

4.4 Musharaka arrangements

Under musharaka arrangements, share of jointly controlled assets and liabilities are classified and recorded according to the nature of the assets and liabilities along with the modaraba's assets and liabilities (Refer note 25). Share of profit / (loss) from musharaka arrangement is recorded under profit on CNG project and generator project musharaka.

4.5 Employee Benefit Costs

Defined contribution plan

The Modaraba operates approved funded contributory provident fund scheme for all its employees. Equal monthly contributions are made both by the Modaraba and the employees at the rate of 8.33% percent per annum of the basic salary.

Compensated absences

The Modaraba provides for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned.



4.6 Provisions

Provisions are recognised when the Modaraba has the present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.7 Assets of discontinued operations classified as held for sale

A discontinued operation is a component of the modaraba's business that represents a separate major line of business or geographical area of operations that has been disposed of or is being held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative profit and loss account is re-presented as if the operation had been discontinued from the start of the comparative period.

4.8 Impairment

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Non-financial assets

The Modaraba assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.



Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognised as income.

4.9 Revenue recognition

Murabaha finance

Profit from murabaha finance is accounted for on culmination of murabaha transaction. However, the profit on that portion of murabaha finance not due for payment is deferred by accounting for "Deferred murabaha Income" with a corresponding credit to "Unearned murabaha Income" which is recorded as a liability. The same is then recognised on a time proportion basis.

Musharaka Finance

Profit from musharaka transactions is recognised on the basis of pro rata accrual of the profit estimated for the transaction over the period.

Income on balances with banks

Profit on saving accounts with banks recognized as income on accrual basis.

Musharaka Management fee

Musharaka management fee is recognised on accrual basis.

Profit on sale of goods

Profit on sale of goods is recognised on dispatch of goods to customers which usually coincide with the physical delivery and acceptance.

4.10 Taxation

Current

Provision for taxation is made on taxable income if any, at the prevailing rates of tax after taking into account any tax credit available.



Deferred

Deferred income tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses can be utilized.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantially enacted at the balance sheet date.

4.11 Foreign currency transactions

Monetary assets and liabilities in foreign currency are translated into Pak Rupees at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange gains and losses on translation are taken to income currently.

4.12 Financial instruments

Financial assets and financial liabilities are recognised when the Modaraba becomes a party to the contractual provisions of the instrument and de-recognised when the Modaraba loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Modaraba has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.13 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, with banks on current and deposit accounts.



4.14 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Modaraba has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on the assets and charge on the liability is also off-set.

	Note	2010 Rupees	2009 Rupees
5. CASH AND BANK BALANCES			
Cash in hand		767,128	996,577
Cash with banks			
Current accounts		19,375,393	7,571,151
Deposit accounts	5.1	<u>10,167,740</u>	<u>8,545,528</u>
		<u>30,310,261</u>	<u>17,113,256</u>

5.1 Effective profit rate in respect of deposit accounts ranges from 5.96% to 8.10% (2009 : 5.85% to 9.51%) per annum.

6. LONG TERM MURABAHA FINANCE

Considered good - secured		78,847,039	67,141,932
Considered doubtful - secured		<u>3,247,794</u>	<u>3,901,787</u>
	6.2	82,094,833	71,043,719
Provision for doubtful recoveries		<u>(3,255,866)</u>	<u>(3,028,007)</u>
		78,838,967	68,015,712
Receivable within one year shown under current assets		<u>(48,934,814)</u>	<u>(47,974,253)</u>
		<u>29,904,153</u>	<u>20,041,459</u>

6.1 Murabaha sale price is receivable in installments. Profit rate on these arrangements range between 17% to 21.46% (2009 : 17.92% to 24% per annum) receivable on agreed terms. These arrangements are secured by way of mortgage of properties, hypothecation and pledge of goods and demand promissory notes.



	Note	2010 Rupees	2009 Rupees
6.2 Long term murabaha finance			
Murabaha receivable gross		100,947,068	86,029,498
Deferred murabaha income		(18,155,190)	(14,905,682)
Profit receivable shown under current assets separately		<u>(697,045)</u>	<u>(80,097)</u>
		<u>82,094,833</u>	<u>71,043,719</u>
7. SHORT TERM MURABAHA FINANCE			
Considered good-secured		36,519,738	52,676,775
Considered doubtful - secured		1,459,938	1,028,243
	7.2	37,979,676	53,705,018
Provision for doubtful recoveries		<u>(523,898)</u>	<u>(880,569)</u>
		<u>37,455,778</u>	<u>52,824,449</u>
7.1 Murabaha sale price is receivable in installments. Profit rate on these arrangements range between 17% to 21.46% (2009 : 17% to 24.95% per annum) receivable on agreed terms. These arrangements are secured by way of mortgage of property, hypothecation and pledge of goods and demand promissory notes.			
7.2 Short term murabaha finance			
Murabaha receivable gross		41,129,673	59,050,806
Deferred murabaha Income		(2,828,005)	(4,870,289)
Profit receivable shown under current assets separately		<u>(321,992)</u>	<u>(475,499)</u>
		<u>37,979,676</u>	<u>53,705,018</u>
8. STOCK IN TRADE			
Generators		1,044,981	2,606,448
CNG kits		-	488,654
Cylinders		-	42,128
		<u>1,044,981</u>	<u>3,137,230</u>

First Paramount Modaraba

(An Islamic Financial Institution)

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	Note	2010 Rupees	2009 Rupees
9. TRADE DEBTORS			
- Considered good - Unsecured			
Conversion dues receivable		-	1,865,646
Provision for doubtful debts	9.1	-	(487,647)
		<u>-</u>	<u>1,377,999</u>
9.1 Provision for doubtful debts			
Opening balance		-	955,536
(Reversed)/provided during the year		-	487,647
		<u>-</u>	<u>1,443,183</u>
Written off during year		-	(955,536)
		<u>-</u>	<u>487,647</u>
10. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Considered good			
Advance against expenses		764,122	10,587
Advance for purchase of generator		10,927,500	-
Advance against salary		2,067	189,440
Advance income tax		210,089	205,439
Prepayments		113,952	785,274
Other receivables		611,799	609,679
		<u>12,629,529</u>	<u>1,800,419</u>



11. PROPERTY, PLANT AND EQUIPMENT

	2010				Carrying value at June 30, 2010	Rate %					
	At July 01, 2009	Cost / Valuation Additions / (disposal)	Reclassified as held for sale	At June 30, 2010			At July 01, 2009	Depreciation For the year / (on disposal)	Reclassified as held for sale	At June 30, 2010	
Land	22,926,475	-	(22,926,475)	-	-	-	-	-	-	-	
Building	5,639,904	-	(5,088,163)	551,741	2,075,937	288,199	(2,150,258)	213,878	337,863	10	
Plant and machinery	40,228,105	8,309,785	(30,043,385)	16,857,827	10,210,000	2,780,901	(11,334,870)	1,607,701	15,250,126	10	
		(1,636,678)			(48,330)						
Computers	1,055,439	63,270	(241,645)	877,064	796,008	81,692	(173,417)	704,283	172,781	30	
Office equipment	740,047	285,981	(214,499)	786,629	257,816	55,909	(90,314)	215,354	571,275	10	
		(24,900)			(8,057)						
Furniture and fixtures	1,021,898	6,095	(56,872)	971,121	346,493	67,973	(27,972)	386,494	584,627	10	
Vehicles	2,958,778	1,407,239	(767,488)	1,614,009	1,374,649	395,063	(382,503)	354,321	1,259,688	20	
		(1,984,520)			(1,032,888)						
2010	74,570,646	10,072,370	(36,412,052)	21,658,391	15,060,903	3,669,737	(14,159,334)	3,482,031	18,176,360		
		(3,646,098)				(1,089,275)					
for comparative period											
	2009										
	Rupees										
	At July 01, 2008	Cost / Valuation Additions / (disposal)	At June 30, 2009	At July 01, 2008	Depreciation For the year / (on disposal)	At June 30, 2009	Carrying value at June 30, 2009	Rate %			
Land	22,926,475	-	22,926,475	-	-	-	22,926,475	-			
Building	5,137,169	502,735	5,639,904	1,731,146	344,791	2,075,937	3,563,967	10			
Plant and machinery	24,011,424	16,216,681	40,228,105	8,366,150	1,843,850	10,210,000	30,018,105	10			
Computers	960,709	94,730	1,055,439	702,896	93,112	796,008	259,431	30			
Office equipment	616,861	123,186	740,047	212,087	45,729	257,816	482,231	10			
Furniture and fixtures	898,825	123,073	1,021,898	276,086	70,407	346,493	675,405	10			
Vehicles	2,184,358	922,607	2,958,778	1,018,357	367,158	1,374,649	1,584,129	20			
		(148,187)			(10,866)						
2009	56,735,821	17,983,012	74,570,646	12,306,722	2,765,047	15,060,903	59,509,743				
		(148,187)			(10,866)						



	Note	2010 Rupees	2009 Rupees
11.1 Total Depreciation of Modaraba including share in generator project		3,669,737	2,765,047
Less: On Modaraba's owned assets		(516,123)	(465,983)
Modaraba's share in musharaka depreciation		3,153,614	2,299,064
Add: Investor's group share of musharaka depreciation		3,528,794	1,342,238
Total musharaka depreciation		6,682,408	3,641,302

11.2 Disposal of property, plant and equipment

	Cost	Accumulated Depreciation	Carrying value	Sale proceed	Gain/(loss)	Mode of Deposit / Particulars of buyer
..... Rupees						
Vehicle	1,057,825	751,470	306,355	830,000	523,645	Karwan Motors Block 14, F.B Area, Main Shahrah-e-Pakistan, Karachi
Vehicle	446,695	211,999	234,696	310,000	75,304	Zeeshan Mehboob House No. D-208, KDA Scheme 1, Karachi East, Karachi
Vehicle	480,000	69,419	410,581	410,581	-	Insurance claim
Office equipment	24,900	8,057	16,843	7,000	(9,843)	Summer Freeze B-152, Khudadad Colony, Main Shahreah-e-Quaideen, Karachi
Generator	1,636,678	48,330	1,588,348	1,439,143	(149,205)	Sara Enterprises Quality Godwon Market, Main Shershah Road, Karachi
2010	<u>3,646,098</u>	<u>1,089,275</u>	<u>2,556,823</u>	<u>2,996,724</u>	<u>439,901</u>	
2009	<u>148,187</u>	<u>10,866</u>	<u>137,321</u>	<u>123,500</u>	<u>(13,821)</u>	

12. ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

The CNG segment of the Modaraba comprised of two CNG stations presented as a disposal group held for sale following the decision of the board of directors in their meeting held on April 13, 2010 to sell the CNG stations due to increased focus on murabaha and generator business. At June 30, 2010, the disposal group comprised assets of Rs. 48,080,867 and liabilities of Rs.53,018,203.

The management of the Modaraba company finalized the sale of one of the CNG stations for Rs. 85 million during the year against which advance of Rs. 42.93 million has been received before the year end. The deal for sale of another CNG station is in process.



An impairment loss does not arise as the disposal group is measured at the lower of its carrying amount and its fair value less costs to sell.

	2010
	Rupees
Assets of disposal group classified as held for sale	
Property, plant and equipment	
Land	22,926,475
Building	2,937,905
Plant and machinery	18,708,516
Computers	68,228
Office equipment	124,186
Furniture and fixtures	28,900
Vehicles	384,985
	<u>45,179,195</u>
Long term deposits	1,150,500
Stock in trade	471,136
Trade debtors	909,112
Advances, prepayments and other receivables	370,924
	<u>48,080,867</u>
Liabilities of disposal group classified as held for sale	
Creditors, accrued and other liabilities	9,721,565
Security deposits	366,562
Advance against disposal of CNG station	42,930,076
	<u>53,018,203</u>

12.1 Had there been no revaluation, the figure of land as at June 30, 2010 would have been Rs. 3,224,884.

12.2 Revaluation of land was carried out on June 30, 2007 by independent valuer M/s. Perfect Consultants. The valuation has been performed on the basis of assessed fair value and represents 65% share of the Modaraba. The lease of the plot is in the name of the joint venture partners in the Musharaka business (Refer Note 25.1.1).



	Note	2010 Rupees	2009 Rupees
13. CREDITORS, ACCRUED AND OTHER LIABILITIES			
Accrued expenses		1,321,729	5,290,435
Liabilities related to CNG project		-	3,927,344
Liabilities related to Generator project		435,852	47,665
Worker's Welfare Fund		<u>376,355</u>	<u>-</u>
		<u>2,133,936</u>	<u>9,265,444</u>
14. LONG TERM MURABAHA FINANCE			
From commercial banks - secured	14.1	536,250	20,460,939
Payable within one year shown under current liabilities		<u>(536,250)</u>	<u>(19,924,695)</u>
		<u>-</u>	<u>536,244</u>
14.1 Total facilities for murabaha finance, including short term murabaha finance, available from banks amounts to 63 million (2009: Rs.111.44 million). These facilities are secured against first charge on the plant and machinery of the Modaraba and the hypothecation of stocks and receivables. Profit on these facilities ranges from 2% to 2.75% above 12 months to two year KIBOR with a floor of 12% to 14% (2009: 2% to 2.75% above 12 months to two year KIBOR with a floor of 12% to 14%) payable on agreed terms.			
	Note	2010 Rupees	2009 Rupees
15. SHORT TERM MURABAHA FINANCE			
From commercial banks - secured	15.1	<u>35,971,594</u>	<u>46,498,640</u>
15.1 These are the same facilities with similar terms and conditions as mentioned under note 14.1 with maturity of less than 12 months. Profit on these facilities are 2% to 3.5% above 6 months to one year KIBOR with a floor of 14% to 24% (2009: 2% above 6 months to one year KIBOR with a floor of 14% to 24%) payable on agreed terms.			



16. CERTIFICATE CAPITAL

2010	2009		2010 Rupees	2009 Rupees
Number of Certificates				
Authorized				
25,000,000	25,000,000	Modaraba certificates of Rs.10/- each	250,000,000	250,000,000
Issued, subscribed and paid up				
5,000,000	5,000,000	Modaraba certificates of Rs.10/- each fully paid in cash	50,000,000	50,000,000
863,333	863,333	Modaraba certificates of Rs.10/- issued for consideration other than cash	8,633,330	8,633,330
<u>5,863,333</u>	<u>5,863,333</u>		<u>58,633,330</u>	<u>58,633,330</u>

	Note	2010 Rupees	2009 Rupees
17. CAPITAL RESERVES			
Statutory reserve	17.1	34,490,068	28,640,449
Merger reserve		1,935,160	1,935,160
Revaluation reserve	11.4	19,701,591	19,701,591
		<u>56,126,819</u>	<u>50,277,200</u>

17.1 Statutory Reserve represents profit set aside to comply with the Prudential Regulations for Modaraba issued by the SECP vide Circular No. 4 of 2004 dated January 28, 2004 and subsequent amendments made therein. These regulations require Modaraba to transfer not less than 20% and not more than 50% of its after tax profits till such time that the reserve equals 100% of the paid up capital. Thereafter, a sum not less than 5% of the after tax profits is to be transferred. For the year the Modaraba transferred 35% of its after tax profits to statutory reserve.

18. CONTINGENCY AND COMMITMENTS

18.1 Contingency

Performance guarantee of Rs.12,093,000/- (2009 : Rs.7,516,000/-) issued by a bank to Sui Southern Gas Company Limited on behalf of the Modaraba.



18.2 Commitments

Commitments for operating lease rentals (Ijarah financing) payable:

	Note	2010 Rupees	2009 Rupees
Not later than one year		-	754,718
Later than one year but not later than five years		-	23,560
Purchase of generators		7,672,500	-

19. PROFIT / (LOSS) FROM GENERATOR PROJECT

Rental Income		14,288,605	6,148,910
Trading income	19.1	385,649	73,000
		14,674,254	6,221,910
Less: Operating expenses			
Salaries, allowances and benefits		2,764,514	2,059,900
Repairs and maintenance		2,215,491	714,826
Insurance		679,883	607,479
Transportation		718,953	615,156
Rent, rates and taxes		690,000	275,000
Advertisement and publicity		406,925	520,294
Printing and stationery		44,606	147,051
Communication		35,324	31,459
Legal and professional		-	60,000
Utilities		73,728	67,702
Depreciation	11.1	2,675,077	526,914
Other expenses		607,337	109,983
5% charity		188,121	24,307
3% Modaraba's Management fee		107,229	13,855
15% ATC Management Fee		520,060	67,198
		11,727,247	5,841,124
Net profit from generator project		2,947,007	380,786
Share of Modaraba @ 52.09%		1,535,096	198,351
Adjustments:			
Ijarah rentals paid		-	(2,482,824)
Share of investor in ijarah rental based on depreciation as per agreement		-	157,207
		-	(2,325,617)
Profit / (loss) from generator project		1,535,096	(2,127,266)

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	Note	2010 Rupees	2009 Rupees
19.1 Trading Income			
Sale of generators		10,247,000	963,000
Less: Cost of generator		<u>(9,732,801)</u>	<u>(890,000)</u>
		514,199	73,000
Less: Provision for taxation @ 25%		<u>(128,550)</u>	<u>-</u>
		<u>385,649</u>	<u>73,000</u>
20. GAIN / (LOSS) ON SALE OF PROPERTY, PLANT AND EQUIPMENT			
Disposal of property, plant and equipment		439,901	(13,821)
Share of disposal on investment in a CNG station under Musharaka arrangement	21.1	<u>-</u>	<u>5,026,937</u>
		<u>439,901</u>	<u>5,026,937</u>
20.1 Last year, the Modaraba sold one of its CNG station under Musharaka arrangements for Rs. 16,100,000/- which had a book value amounting to Rs. 8,366,251/- and realised its share of 65 % in the Musharaka.			
21. OPERATING EXPENSES			
	Note	2010 Rupees	2009 Rupees
Salaries, allowances and benefits		3,801,939	2,855,192
Electricity, gas and water		285,281	248,467
Repairs and maintenance		194,283	234,343
Insurance		121,210	87,249
Rent, rates and taxes		61,000	425,400
Transportation		446,802	273,548
Communications		282,459	273,731
Printing and stationery		291,743	264,734
Auditors' remuneration	22.1	335,000	250,000
Legal and professional Fees and subscription		1,170,048	828,697
News papers and periodicals		9,230	11,518
Bank charges		133,255	84,572
Depreciation	11.1	516,123	465,983
Other expenses		<u>666,532</u>	<u>217,712</u>
		<u>8,500,905</u>	<u>6,678,646</u>



	Note	2010 Rupees	2009 Rupees
21.1 Auditors' remuneration			
Statutory audit fee		250,000	170,000
Half yearly review fee		50,000	50,000
Certifications		25,000	20,000
Out of pocket expenses		10,000	10,000
		<u>335,000</u>	<u>250,000</u>

22. PROFIT FROM DISCONTINUED OPERATIONS

- Profit on CNG Project Musharaka finance

Particulars	Note	Gas	Conversion	2010	2009
		Filling	Center		
< ----- Rupees ----- >					
Gas filling		129,901,346	-	129,901,346	133,756,620
Conversion income		-	1,298,100	1,298,100	2,429,100
Other income		1,042,689	-	1,042,689	978,956
		<u>130,944,035</u>	<u>1,298,100</u>	<u>132,242,135</u>	<u>137,164,676</u>
Less: Gas	22.1	71,805,102	-	71,805,102	70,307,776
Diesel		2,063,524	-	2,063,524	11,343,518
Electricity		13,275,645	-	13,275,645	7,445,274
Kits and cylinders		-	1,190,563	1,190,563	2,010,533
Store and spares		-	100,645	100,645	145,886
		<u>87,144,271</u>	<u>1,291,208</u>	<u>88,435,479</u>	<u>91,252,987</u>
Gross profit		43,799,764	6,892	43,806,656	45,911,689

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Particulars	Note	Gas	Conversion	2010	2009
		Filling	Center		
< ----- Rupees ----- >					
Less: Operating expenses					
Salaries, allowances and benefits		6,515,798	-	6,515,798	6,386,985
Electricity, gas and water		190,000	-	190,000	174,325
Repairs and maintenance		1,426,028	-	1,426,028	2,483,241
Rent, rates and taxes		4,583,172	-	4,583,172	4,594,073
Travelling and entertainment		188,468	-	188,468	205,893
Vehicles running and maintenance		424,180	-	424,180	254,231
Printing and stationery		153,235	-	153,235	204,781
Communication		108,086	-	108,086	134,676
Insurance		373,654	-	373,654	360,641
Legal and professional		3,000	-	3,000	31,000
Fee and subscription		282,668	-	282,668	232,514
Advertisement		314,717	-	314,717	46,556
Bank charges		148,288	-	148,288	69,422
Lease rentals		778,275	-	778,275	1,130,716
Depreciation	11.1	2,707,950	-	2,707,950	3,114,388
(Reversal)/provision for doubtful debts		(110,131)	-	(110,131)	709,558
Other expenses		1,322,972	-	1,322,972	951,209
5% Charity		1,104,965	-	1,104,965	1,128,921
15% Pak CNG Management fee		3,149,150	-	3,149,150	3,217,425
3% Modaraba's Management fee		535,355	-	535,355	546,962
				24,199,831	25,977,517
Net profit before tax				19,606,826	19,934,172
Less: Withholding tax			22.1	(2,296,998)	(2,249,062)
Net profit after tax				17,309,828	17,685,110
Appropriation:					
Share of the Modaraba @ 65%				11,251,388	11,495,322
Share of Investor Group @ 35%				6,058,440	6,189,788
				17,309,828	17,685,110



22.1 This represents tax of Rs.2,296,998/- (2009 : Rs.2,249,062/-) withheld by the gas supplier under section 234A of Income Tax Ordinance 2001 which is applicable from July 1, 2007. A revision applicable demanding exemption has been declined by the Regional Commissioner. Modaraba has filed appeal against the levy in the High Court of Sindh.

	Note	2010	2009
23. EARNINGS PER CERTIFICATE			
From continuing operation			
Basic and diluted			
Profit for the year	23.1	Rs. 6,586,948	7,751,797
Weighted average number of certificates		5,863,333	5,863,333
Earnings per certificate		Rs. 1.12	1.33
From discontinuing operation			
Basic and diluted			
Profit for the year	23.1	Rs. 10,126,249	10,345,790
Weighted average number of certificates		5,863,333	5,863,333
Earnings per certificate		Rs. 1.73	1.76

23.1 This represents net profit after deducting 10% management fee of the management company.

24. TAXATION

The relationship between tax expense and accounting profit has not been presented in these financial statements as the income of the non-trading Modaraba is exempt from tax, provided not less than 90 % of their profits are distributed to the certificate holders out of the current year total profit after appropriation of statutory reserve.

25. OPERATING SEGMENT

Products and services from which reportable segments derive their revenues

For management purposes, the Modaraba is organised into business units based on their products and services and has the following three reportable operating segments. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The Modaraba has the following segments:



- The CNG station project is engaged in compression and distribution of Compressed Natural Gas through CNG stations at two places.
- The Generator project is engaged in trading of generators and supply of generator on rent.
- Disbursement of murabaha finance to individual and corporate clients.

Performance of each segment is measured based on segment profit, as included in the internal management reports that are reviewed by the Modaraba's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant.

25.1 RECONCILIATIONS OF REPORTABLE SEGMENT PROFIT OR LOSS AND ASSETS AND LIABILITIES

25.1.1 CNG Project

	Total		Share of the Modaraba	
	2010	2009	2010	2009
	< ----- Rupees ----- >			
Property, plant and equipment	68,723,214	66,176,046	44,670,089	43,014,430
Long term deposits	1,770,000	4,804,087	1,150,500	3,122,657
Trade debtors	1,398,634	2,119,998	909,112	1,377,999
Stock in trade	724,825	816,588	471,136	530,782
Advances, prepayments and other receivables	570,652	2,253,981	370,924	1,465,088
Cash and bank balances	17,500,740	15,805,371	11,375,481	10,273,491
	<u>90,688,065</u>	<u>91,976,071</u>	<u>58,947,242</u>	<u>59,784,446</u>
Creditors, accrued and other liabilities	(10,702,138)	(9,545,717)	(6,956,390)	(6,204,716)
Net Assets	<u><u>79,985,926</u></u>	<u><u>82,430,354</u></u>	<u><u>51,990,852</u></u>	<u><u>53,579,730</u></u>

The Modaraba had entered into a revised Musharaka arrangement dated July 1, 2006 with Musharaka Investor's Group and Pak CNG Management for the investment in CNG Project which will expire on June 30, 2016. According to the agreement, the Modaraba will contribute 65% of the required fund and Investor's group will contribute 35%. Under the agreement Pak CNG Management is responsible for the management of CNG project (operation of all CNG stations and conversion of CNG Kits) for which a management fee of 15% of net profit of CNG project after deducting 5% charity is charged. The balance of net profit after deducting 3% management fees to be paid to Modaraba is distributed on the basis of percentage of investment made at June 4, 1999.



25.1.2 Generator Project

	Total		Share of the Modaraba	
	2010	2009	2010	2009
	< ----- Rupees ----- >			
Property, plant and equipment	29,569,226	26,720,971	15,402,610	13,918,954
Stock in trade	-	5,003,739	-	2,606,448
Advances, prepayments and other receivables	213,596	1,440,546	111,262	750,380
Cash and bank balances	6,267,944	2,666,052	3,264,972	1,388,746
	<u>36,050,766</u>	<u>35,831,308</u>	<u>18,778,844</u>	<u>18,664,528</u>
Creditors, accrued and other liabilities	(291,945)	(766,045)	(152,074)	(399,033)
Net Assets	<u><u>35,758,821</u></u>	<u><u>35,065,263</u></u>	<u><u>18,626,770</u></u>	<u><u>18,265,495</u></u>

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

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.

	Note	2010 Rupees	2009 Rupees
25.1.3 Murabaha Financing			
Murabaha Finance		29,904,153	20,041,459
Short Term Murabaha Finance		37,455,778	52,824,449
Current Portion of long term murabaha finance		48,934,814	47,974,253
Accrued Profit		<u>1,019,037</u>	<u>555,596</u>
		<u>117,313,782</u>	<u>121,395,757</u>
Long Term Murabaha Finance		-	(536,244)
Short Term Murabaha Finance		(35,971,594)	(46,498,640)
Current Portion of Long Term Murabaha Finance		<u>(536,250)</u>	<u>(19,924,695)</u>
Net Assets		<u><u>80,805,938</u></u>	<u><u>54,436,178</u></u>



	Note	2010 Rupees	2009 Rupees
25.1.4 Profit relating to Operating Segments			
Profit/(loss) from generator project	19	1,535,096	(2,127,266)
Profit on CNG Project			
Musharaka finance	22	11,251,388	11,495,322
Profit on musharaka finance		-	222,036
Murabaha finance			
Profit on murabaha finance		20,711,770	23,682,441
Profit to murabaha investors		(7,468,959)	(10,462,595)
Profit related to Murabaha finance		<u>13,242,811</u>	<u>13,219,846</u>
Consolidated profit of operating segments		<u>26,029,295</u>	<u>22,809,938</u>

26. REMUNERATION OF OFFICERS AND OTHER EMPLOYEES

	Officers		Other Employees		Total	
	2010	2009	2010	2009	2010	2009
 Rupees					
Basic Salary	1,031,848	745,346	732,132	649,678	1,763,980	1,395,024
House rent allowance	464,337	335,406	329,459	292,355	793,796	627,761
Conveyance and others	400,653	248,730	488,845	330,033	889,498	578,763
Compensated absences	149,750	102,472	72,734	73,191	222,484	175,663
Retirement benefits	73,260	40,891	58,921	37,090	132,181	77,981
	<u>2,119,848</u>	<u>1,472,845</u>	<u>1,682,091</u>	<u>1,382,347</u>	<u>3,801,939</u>	<u>2,855,192</u>
Number of employees	<u>4</u>	<u>3</u>	<u>9</u>	<u>8</u>	<u>13</u>	<u>11</u>

In addition, three officers are provided with Modaraba's maintained vehicles.



27. TRANSACTIONS WITH RELATED PARTIES

Related party mainly include Modaraba Management Company. Transactions with related parties during the year are as follows: -

<i>Relationship with Modaraba</i>	<i>Nature of Transaction</i>	2010 Rupees	2009 Rupees
Management company	Management fee	1,857,022	2,010,843
Management company	Fund received	650,000	600,000
Management company	Fund Paid	2,551,930	600,000
Musharaka investor- Generator project	Share of profit	1,411,911	182,435
	Management fee	520,060	67,198
Musharaka investor- CNG project	Share of profit	6,058,440	6,189,788
	Management fee	3,149,150	3,217,425

28. FINANCIAL RISK MANAGEMENT

The Modaraba's principal financial liabilities, comprise murabaha finances, creditor accrued and other liabilities. The main purpose of these financial liabilities is to raise finance for the Modaraba's operations. The Modaraba has murabaha finance, advance and prepayments and cash and deposits that arrive directly from its operations.

The Modaraba's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

The Modaraba's Senior Management oversees the management of these risks.

28.1 Credit Risk and Concentration of Credit

Credit risk represents the accounting loss that would be recognised at the reporting date if counter party to the financial instrument fails to perform as contracted. Out of the total financial assets of Rs. 148,238,842/- (2009 : Rs. 145,428,535), the financial assets which are subject to credit risk amounted to Rs. 147,471,714/- (2009 : Rs. 144,496,363/-)

The Modaraba is exposed to credit risk from its financing activities (murabaha finance) and deposits with bank and financial institutions.



The Modaraba seeks to manage its credit exposure through diversification of its financing activities to avoid undue concentration of risk with individuals or groups of customers in specific locations or businesses. It also obtains security when appropriate.

28.1.1 Segment by class of business for Murabaha Finances

	< ----- 2010 ----- >		< ----- 2009 ----- >	
	Rupees	%	Rupees	%
Construction	17,386,946	14.48	9,993,776	8.01
Chemicals, fertilizer / pharma	3,319,326	2.76	2,447,432	1.96
Fuel and energy	5,723,860	4.77	2,054,503	1.65
Food, tobacco and beverages	27,470,992	22.88	39,378,246	31.57
Paper and board	8,410,546	7.00	9,183,137	7.36
Steel, engineering and automobiles	14,703,927	12.25	6,012,400	4.82
Textile and cotton	7,049,932	5.87	1,094,346	0.88
Transport and communication	19,403,312	16.16	12,592,928	10.09
Others	16,605,668	13.83	41,991,969	33.66
	<u>120,074,509</u>	<u>100</u>	<u>124,748,737</u>	<u>100</u>

28.2 Liquidity risk management

Liquidity risk reflects the company's inability in raising funds to meet commitments. Management closely monitors the company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

28.2.1 Liquidity and profit risk table

The following tables detail the Modarabas's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Modaraba can be required to pay. The table includes both interest and principal cash flows.

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	Effective rate of profit %	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years	Total
<----- Rupees ----->							
2010							
Long term murabaha finance	13.31% - 17.07%	292,405	253,766	-	-	-	546,171
Short term murabaha finance	14.11% - 18.49%	6,982,058	12,763,430	18,354,203	-	-	38,099,692
		7,274,463	13,017,196	18,354,203	-	-	38,645,863
2009							
Long term murabaha finance	13.31% - 17.07%	2,211,095	4,571,600	13,142,000	536,244	-	20,460,939
Short term murabaha finance	14.77% - 19.05%	14,101,588	19,811,348	12,585,704	-	-	46,498,640
		16,312,683	24,382,948	25,727,704	536,244	-	66,959,579

28.3 Market risk management

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Modaraba's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

28.3.1 Profit rate risk management

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in profit rates. The Modaraba's exposure to the risk of changes in profit rates relates primarily to the Modaraba's long-term and short term debt obligations and assets with floating profit rates.

28.3.1.1 Interest rate sensitivity

If profit rates had been 50 basis points higher/lower and all other variables were held constant, the Modaraba's profit for the year ended June 30, 2010 would increase/decrease by Rs. 250,134 (2009 : decrease / increase by Rs.225,533).



28.3.2 Foreign exchange risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Modaraba is not exposed to foreign currency risk.

28.3.3 Equity price risk management

The Modaraba is not exposed to equity price risks arising from equity investments, as the Modaraba does not hold any equity security at the balance sheet date.

28.4 Fair value risk

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

29. CAPITAL RISK MANAGEMENT

The Modaraba manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders by spreading a variety of Islamic modes of investment and financing.

The capital structure of the Modaraba consists of debts as disclosed in note 14 and 15, cash and cash equivalents as disclosed in note 5 and equity attributable to equity holders, reserves and retained earnings.

The net to equity of Modaraba was as follows:

	Note	2010 Rupees	2009 Rupees
Debts		36,507,844	66,959,579
Cash and cash equivalents		(30,310,261)	(17,113,256)
Net Debt		<u>6,197,583</u>	<u>49,846,323</u>
Equity		126,764,062	118,845,865
Net debt to equity ratio		0.05:1	0.42:1



30. NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors of the Modaraba Management Company in its meeting held on October 05, 2010 approved a final profit distribution of Rs.1.80/- per certificate, amounting to Rs.10,553,999/- for the year ended June 30, 2010.

31. 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 October 05, 2010.

32. GENERAL

Figures have been rounded off to the nearest Rupee.

Chief Executive Officer

Director

Director



► **Pattern of Certificate holding as of 30 June 2010**

No. of Certificate holders	Having Certificate From	To	Certificate Held	Percentage %
188	1	100	7636	0.1302
320	101	500	130121	2.2192
280	501	1000	273579	4.6659
235	1001	5000	655481	11.1793
67	5001	10000	574879	9.8046
27	10001	15000	333540	5.6886
15	15001	20000	262621	4.4790
8	20001	25000	181500	3.0955
5	25001	30000	131500	2.2428
4	30001	35000	131700	2.2462
3	35001	40000	114700	1.9562
5	40001	45000	216500	3.6924
3	45001	50000	145000	2.4730
2	50001	55000	107000	1.8249
1	55001	60000	55908	0.9535
2	65001	70000	136500	2.3280
1	70001	75000	70767	1.2069
2	80001	85000	164500	2.8056
2	85001	90000	173000	2.9505
1	105001	110000	110000	1.8761
1	110001	115000	110500	1.8846
1	125001	130000	129542	2.2094
1	210001	215000	214500	3.6583
1	375001	380000	375859	6.4103
1	1055001	1060000	1056500	18.0188
1176	Company Total		5863333	100.0000



► **Categories of Certificate holders as of 30 June 2010**

Particulrs	No of Folio	Balance Share	Percentage
DIRECTORS, CEO & CHILDREN	4	94200	1.6066
ASSOCIATED COMPANIES	2	1186042	20.2281
NIT & ICP	1	987	0.0168
BANKS, DFI & NBFI	2	26422	0.4506
MODARABAS & MUTUAL FUNDS	1	375859	6.4103
GENERAL PUBLIC (LOCAL)	1151	3924267	66.9289
GENERAL PUBLIC (FORIEGN)	7	140500	2.3962
OTHERS	8	115056	1.9623
Company Total	1176	5863333	100.0000

Folio No	Name	Code	Balance Held	Percentage
00000001516	MR. MUHAMMAD HUSAIN MAHENTI	001	9000	0.1535
00000001706	MR. TANWEER AHMED	001	42500	0.7248
00000001826	MR. AHMED PAREKH	001	30700	0.5236
003277012650	ABDUL GHAFAR UMER KAPADIA	001	12000	0.2047
00000000001	PARAMOUNT INVESTMENTS LIMITED	002	1056500	18.0188
00000008004	PARAMOUNT INVESTEMENT LIMITED	002	129542	2.2094
011353000022	NATIONAL INVESTMENT TRUST LIMITED	003	987	0.0168
003871000086	THE BANK OF PUNJAB	004	8200	0.1399
003889000028	NATIONAL BANK OF PAKISTAN	004	18222	0.3108
000009900005	FIRST NATIONAL MODARABA	006	375859	6.4103
00000001344	SUBLIME SPORTS (PVT) LTD.	010	110000	1.8761
00000008403	M/S. EASTERN COMMERCIAL CORPORATION (PVT.) LTD.	010	961	0.0164
003210000028	Y.S. SECURITIES & SERVICES (PVT) LTD.	010	3186	0.0543
003525057191	SARFRAZ MAHMOOD (PRIVATE) LTD	010	5	0.0001
003939011093	HIGHLINK CAPITAL (PVT) LTD	010	30	0.0005
003996030634	PASHA SECURITIES (PVT) LTD (015-006)	010	542	0.0092
006445000028	DARSON SECURITIES (PVT) LIMITED	010	166	0.0028
006916000020	PASHA SECURITIES (PVT) LTD.	010	166	0.0028



► Notice of Review Meeting

Notice is hereby given that the 11th Annual Review Meeting 2010 (ARM) of Certificate Holders of First Paramount Modaraba will be held on Thursday, 28th October 2010 at 1.00 p.m. at Suit # 201, PECHS Community Office Complex, Karachi, for the year ended June 30, 2010 in terms of Clause-20 of Prudential Regulations for Modaraba issued vide Circular # 5/2000 of Registrar Modaraba Companies and Modarabas. The certificates holders whose names appear in register of the First Paramount Modaraba as on 19th October 2010 shall be entitled to attend the Annual Review Meeting.

By Order of the Board

Karachi
Dated: October 05, 2010

Company Secretary

DIVIDEND

The Modaraba Certificates transfer books shall remain closed from 20th October 2010 to 28th October 2010 (both days inclusive). Transfer receive in order at the Registrar Office of the Modaraba (whose address is given below) before the close of business hours on 19th October 2010 will be treated in time for the entitlement of Dividend.

The Certificate Holders are advised to notify to the Registrar of First Paramount Modaraba of any change in their address to ensure prompt delivery of mails. Further, any certificates for transfer etc., should be lodged with the Registrars THK Associates (Pvt) Ltd., Ground Floor, State Life Building No: 3, Dr. Ziauddin Ahmed Road, Karachi, Tele: No: 111-000-322 Fax: 35655595.