QUARTERLY REPORT

for the period end
March 31st, 2013 (Un-Audited)

First Paramount Modaraba

(An Islamic Financial Institution)

Managed by: Paramount Investments Limited

For Long Term 'BBB' For Short Term A-3 Out Look - Stable
By JCR VIS Credit Rating Company

First Shariah Certified Modaraba

First Paramount Modaraba
(An Islamic Financial Institution)

QUARTERLY REPORT 2013

CONTENTS

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 endeavor 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.

STATMENT 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 endeavor to have fully groomed employees committed to the philosophy behindthe code of ethics to carry out honestly activities assigned to them. Our aim is to have highest standard of excellence for the product and the betterment for all those involved directly or indirectly with our Modaraba.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mian Tanweer Ahmed Magoon	Chairman
Mr. Abdul Ghaffar Umer	Chief Executive Officer
Mr. Ahmed Kasam Parekh	Director
Mr. Abdul Razzak Jangda	Director
Mr. Pir Mohammad A. Kaliya	Director
Mr. Abid Aziz (Nominee Director of Pak Libya Holding Co. Limited)	
Mr. Nadeem Iqbal	Director

AUDIT COMMITTEE

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

HUMAN RESOURCE COMMITTEE

Mr. Tanweer Magoon	Chairman
Mr. Abdul Ghaffar Umer	Chief Executive Officer
Mr. Ahmed Kasam Parekh	Director
Mr. Nadeem Iqbal	Director

General Manager Operations

Mr. Syed Wajih Hassan

Chief Financial Officer

Mr. Naseemuddin Zubairi.

SHARIAH ADVISOR

Mufti Muhammad Najeeb Khan

CREDIT RATING

FOR LONG TERM .BBB.
FOR SHORT TERM A-3
OUT LOOK - STABLE
BY JCR VIS CREDIT RATING COMPANY

DIRECTORS REPORT To THE CERTIFICATE-HOLDERS

We feel pleasure in submitting herewith 3rd: Quarterly Report of the operations of First Paramount Modaraba for the period ended March 31, 2013.

Your Modaraba managed to earn Rs.12,916,396 for 9 months' period ended March 31, 2013, indicating reduction in the profitability of Modaraba by about 22% over previous fiscal period which attributed due to the following reasons :-

1. a) Reduction in the rate of benchmark and Kibor, due to which our rate of profit also reduced by around 4% for Morabaha financial facilities.

   b) Reduction in the volume of Morabaha financial facilities due to strict compliance and conservative policy adopted by the management during the period under review keeping in view the existing market scenario.

   c) Concentration of the management to work on Musharka based Projects which we hope will yield higher rate of profit Insha Allah in the financial year 2013-2014.

2. Earning per share: The earning per share was Rs.2.87 for the period ended 31st March, 2012 (prior to 30% Right Issue) which has been worked out to be Rs.2.62 per share based on weighted average due to issue of 30% Right Modaraba Certificates during the period under review. The actual weighted average earning per share comes Rs.1.82 for fiscal period ending 31st March, 2013.

   30% Right Issue of Modaraba Certificates: We successfully completed all the required formalities connected with the issue of 30% Right Modaraba Certificates and funds of Rs.17,590,000 were transferred for our utilization on 22nd February, 2013. Our paid-up capital increased to Rs.76,223,330 due to 30% Right Issue of Modaraba Certificates.

   Musharka Projects: The Board of Directors decided in the beginning of financial year 2012-13 to increase our investment on various projects based on Musharkah, and accordingly we obtained proposals for various projects to work on Musharkah arrangements.

The following two projects have so far been approved after thorough evaluation and critical analysis of many proposals :-

1. FPM Shuttleless Weaving Project: We entered into an agreement with M/s: Javeria Weaving for installation and operation of 16 shuttleless looms with an initial cost of around Rs.21 million in which FPM will contribute 65% of the total investment whereas M/s: Javeria Weaving will contribute balance 35%. Premises for the project has already been rented and 11 looms have been purchased and are under installation at site. It is expected that the unit will start commercial production Insha Allah by the end of May, 2013. The expected rate of return on investment is about 17% in the 1st year of operation.

2. Musharkah Agreement with Wrinkle-free Trousers Production Unit:

   An MOU has already been signed and other legal formalities are in process to release investment of about Rs.4 million in the month of May 2013 for production and marketing of wrinkle-free trousers.

   Our investment will be in various installments for procurement of raw materials and processing charges in which our maximum investment will be about Rs.18 million. The expected rate of return on investment is about 20% in first year of operation.

The Management of Modaraba is deep-heartedly indebted of the Registrar Modarabas, Securities & Exchange Commission of Pakistan, Islamabad and the State Bank of Pakistan, for their cooperation and guidance.

We also offer our sentiments of thankfulness to the entire Modaraba team for its wittingly done performance.

for and on behalf of Directors of
Paramount Investments Limited (PIL) -
Managers of First Paramount Modaraba

Karachi.
Date: 29th April, 2013

Abdul Ghaffar Umer
Chief Executive Officer

Condensed Interim Balance Sheet (Unaudited)

FOR THE PERIOD ENDED MARCH 31, 2013

	Note	Un-Audited 31-Mar 2013	Audited 30-Jun 2012
ASSETS			
NON - CURRENT ASSETS			
Operating fixed assets	6	38,115,213	31,698,742
Long term portion of murabaha receivable	7	35,403,320	50,737,445
Long term portion of diminishing musharika financing	8	16,649,998	22,200,000
Long term deposit		10,428	7,428
		90,178,959	104,643,615
CURRENT ASSETS			
Investment classified as available for sale		2,126,519	2,004,392
Cash and bank balances		29,514,771	18,953,609
Current portion of long term murabaha receivable	7	99,528,155	98,533,678
Current portion of long term diminishing musharika financing	8	7,400,000	7,400,000
Short term murabaha receivable	9	14,839,674	14,208,926
Advances against morabaha		19,639,900	21,686,000
Stores and spares		674,700	541,250
Advances, prepayments and other receivables		2,422,299	1,195,680
		176,146,017	164,523,535
TOTAL ASSETS		266,324,976	269,167,150
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Certificate Capital			
Authorised			
25,000,000 (30 June 2011: 25,000,000) Certificates of Rs. 10 each		250,000,000	250,000,000
Issued, subscribed and paid-up		58,633,330	58,633,330
30% Right issue (R-1)		17,590,000	-
Capital reserves		61,402,687	61,402,687
Unrealized gain on revaluation of available for sale Investment		126,519	4,392
Unappropriated profit		34,367,936	33,764,540
		172,120,472	153,804,949
LIABILITIES			
NON CURRENT LIABILITIES			
Certificate of Musharika		34,834,500	37,609,221
Deferred Murabaha income		29,947,655	35,690,420
		64,782,155	73,299,641
CURRENT LIABILITIES			
Creditors, accrued and other liabilities		10,353,650	4,696,279
Certificate of Musharika		8,075,000	25,856,517
Deferred Murabaha income		1,048,792	655,928
Payable to Modaraba Management Company - a related party		25,312	2,547,259
Unclaimed dividend		9,919,595	8,306,577
		29,422,349	42,062,560
TOTAL EQUITY AND LIABILITIES		266,324,976	269,167,150

Cheif Executive Officer **Director** **Director**

Condensed Interim Profit and Loss Account (Unaudited)

FOR THE PERIOD ENDED MARCH 31, 2013

	Note	9 Months		Quarter	
		July-March 2013 Rupees	July-March 2012 Rupees	Jan-March 2013 Rupees	Jan-March 2012 Rupees
Operating income	10	**31,766,433**	34,766,857	**10,604,922**	11,516,918
Operating costs					
Depreciation on assets				-	
Administrative expenses		**16,784,942**	13,401,875	**6,270,465**	4,024,518
Provision for doubtful recoveries		**(368,499)**	(1,301,793)	**(106,472)**	(784,986)
		(16,416,443)	(12,100,082)	**(6,163,993)**	(3,239,532)
		15,349,990	22,666,775	**4,440,929**	8,277,386
Other income		**4,314,569**	3,292,112	**1,288,173**	997,431
		19,664,559	25,958,887	**5,729,102**	9,274,817
Financial charges		**(4,755,062)**	(6,891,038)	**(1,611,313)**	(3,113,039)
Provision for worker's welfare fund		**(298,190)**	(381,357)	**(82,356)**	(123,236)
Profit from continued operations		**14,611,307**	18,686,492	**4,035,434**	6,038,542
Modaraba company's management fee		**(1,694,912)**	**(2,167,633)**	**(468,110)**	**(700,471)**
Profit for the period		**12,916,396**	16,518,859	**3,567,323**	5,338,072
Earnings per certificate - basic and diluted	11	**1.82**	2.62	**0.39**	0.78

Cheif Executive Officer **Director** **Director**

Condensed Interim Cash Flow Statement (Unaudited)

FOR THE PERIOD ENDED MARCH 31, 2013

	Unaudited 31-Mar 2013	Audited 30-Jun 2012
Profit for the period	**12,916,396**	23,573,487
Adjustments for:		
Depreciation on property, plant and equipment	**3,025,355**	3,535,714
Amortisation on intangible assets	-	446
Impairment on generator marked for sale	-	135,016
Provision for worker's welfare fund	**298,190**	540,958
Reversal for doubtful recoveries	**(368,499)**	(628,932)
Financial charges	**4,755,062**	7,876,993
Loss / (Gain) on sale of fixed assets	**(331,958)**	29,654
Operating profit before working capital changes	**20,294,546**	**35,063,336**
(Increase) / decrease in assets		
Murabaha receivable-net	**8,727,498**	32,174,168
Diminishing musharakah receivable - net	**5,550,002**	(20,046,119)
Advance against murabaha	**2,046,100**	(21,686,000)
- Stock in trade	**(133,450)**	(99,752)
- Accrued profit	-	
- Advances, prepayments and other receivable	**(1,226,619)**	(395,179)
Increase / (decrease) in liabilities		
- Accrued and other liabilities	**3,820,524**	(1,977,181)
- Payable to modaraba management company.	**(2,521,947)**	(331,367)
Net cash (used in) / from operations	**36,556,653**	**22,701,906**
Financial charges paid	**(3,093,471)**	(7,876,993)
Net cash from operating activities	**33,463,182**	**14,824,913**
Cash flows from investing activities		
Long-term deposits	**(3,000)**	-
Capital expenditure including capital work in progress	**(10,357,045)**	(6,097,024)
Investment - net	-	(2,000,000)
Sale proceeds of assets in own use	**1,124,244**	2,281,542
Net cash (used in) / from investing activities	**(9,235,801)**	**(5,815,482)**
Cash flows from financing activities		
Murabaha financing repaid - net	-	(32,481,590)
30% Right issue (R-1)	**17,590,000**	-
Musharika financing - net	**(20,556,238)**	50,804,894
Dividend paid	**(10,699,981)**	(11,964,099)
Transferred to retained earning on disposal	-	-
Net cash (used in) financing activities	**(13,666,219)**	**6,359,205**
Net (decrease) in cash and cash equivalents	**10,561,162**	**15,368,636**
Cash and cash equivalents at beginning of the period	**18,953,609**	**3,584,973**
Cash and cash equivalents at end of the period	**29,514,771**	**18,953,609**

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

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED MARCH 31, 2013

	Share Capital	30% Right issue (R-1)	Merger Reserve	Statutory Reserve	Unrealised gain on revaluation of available for sale Investment	Unappropriated Profit	Total
			---------------------- CAPTAL		----------------------	REVENUE	
BALANCES AS AT JULY 01, 2011	58,633,330		1,935,160	48,387,988		35,049,425	144,005,903
Profit Distribution Declared for the year ended June 30, 2011	-		-	-	-	(13,778,833)	(13,778,833)
Profit for the year ended June 30, 2012	-		-	-	-	23,573,487	23,573,487
Transferred to Statutory Reserve				11,079,539	-	(11,079,539)	-
Unrealised gain on revaluation of available for sale Investment					4,392		4,392
BALANCES AS AT JUNE 30, 2012	58,633,330		1,935,160	59,467,527	4,392	33,764,541	153,804,949
Profit Distribution Declared for the year ended June 30, 2012	-		-	-	-	(12,312,999)	(12,312,999)
Total comprehensive income for the period ended March 31,2013	-		-	-	-	12,916,396	12,916,396
30% Right issue (R-1)		17,590,000					17,590,000
Unrealised gain on revaluation of available for sale Investment					122,127		122,127
BALANCES AS AT MARCH 31, 2013	58,633,330		1,935,160	59,467,527	126,519	34,367,936	172,120,472

Cheif Executive Officer　　　Director　　　Director

NOTES TO THE INTERIM FINANCIAL INFORMATION (Unaudited)

FOR THE PERIOD ENDED MARCH 31, 2013

1 LEGAL STATUS AND OPERATIONS

First Paramount Modaraba ("the Modaraba") is a multi purpose, perpetual and multidimensional Modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed there under and is managed by Paramount Investments Limited ("the Management Company"), 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, generator rental and sale project under the name "AL-BURQ Associates" (formerly known as Advance Trading Corporation) and deployment of funds through diminishing musharaka financing, murabaha and musharaka arrangements.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information for the six months period ended 31 December 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the SECP have been followed.

2.2 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the modaraba for the year ended 30 June 2012.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the modaraba's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest of rupees except otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2012.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the modaraba's operations and did not have any impact on the accounting policies of the modaraba except where changes affected presentation and disclosures in this condensed interim financial information.

4 ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgements, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual result may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2012.

5 FINANCIAL RISK MANAGEMENT

The modaraba's financial risk management objectives and policies are consistent with those that disclosed in the financial statements as at and for the year ended 30 June 2012.

6 PROPERTY, PLANT AND EQUIPMENT

	=========Rupees======	
	31st March 2013 (Unaudited)	30 June 2012 (Audited)
Tangible fixed assets	**37,446,089**	30,887,970
Intangible assets	**209,799**	270,708
Generator marked for sale	**459,325**	540,064
	38,115,213	31,698,742

6.1 Cost

Opening balance	**39,002,662**	34,937,979
Addition / (disposal) - net	**8,966,275**	4,064,683
	47,968,937	39,002,662
Accumulated depreciation		
Opening balance	**8,114,692**	5,484,648
For the period - net of disposal	**2,469,501**	2,630,044
	10,584,193	8,114,692
Written down value	**37,384,744**	30,887,970

7 LONG TERM MURABAHA RECEIVABLES - Secured

Considered good	**134,931,475**	149,271,123
Considered doubtful	**3,085,229**	3,484,895
	138,016,704	152,756,018
Provision for doubtful recoveries	**(3,085,229)**	(3,484,895)
	134,931,475	149,271,123
Receivable within one year shown under current assets	**(99,528,155)**	(98,533,678)
	35,403,320	50,737,445

8 LONG TERM DIMINISHING MUSHARAKAH FINANCING - Secured

Considered good	**24,049,998**	29,600,000
Current portion of long term diminishing musharakah financing	**(7,400,000)**	(7,400,000)
	16,649,998	22,200,000

8.1 This represents finance provided to an individual under diminishing musharakah arrangement for purchase of hospital building. The effective profit rate on this arrangement is 20.75% (30 June 2012: 20.75%) per annum and profit is receivable on monthly basis over a maximum period of 4 years. The financing is secured by mortgage of properties, hypothecation of hospital equipments and personal guarantee of the borrower.

9 SHORT TERM MURABAHA RECEIVABLES - secured

Considered good	**14,839,674**	14,208,926
Considered doubtful	**97,520**	66,353
	14,937,194	14,275,279
Provision for doubtful recoveries	**(97,520)**	(66,353)
	14,839,674	14,208,926

10 OPERATING INCOME

	Nine months period ended	
	31st March 2013	31st March 2012
Profit on murabaha receivables	**21,902,322**	26,563,169
Rental income	**9,864,111**	8,203,688
	31,766,433	**34,766,857**

10.1 This represents income generated form rental business of AL-BURQ Associates representing Modaraba's Share of 52.09 %

11 BASIC AND DILUTED EARNINGS PER CERTIFICATE

	Nine Months period ended	
	31st March 2013	31st March 2012
Profit for the period	**12,916,396**	16,518,859
		Restated
Weighted average number of certificates	**7,109,291**	6,303,083
Earnings per certificate - basic and diluted	**1.82**	2.62

No figure for diluted earnings per certificate has been presented as the Modaraba has not issued any instrument which would have an impact on earnings per certificate when exercised.

The number of certificates for the prior period has been adjusted for the effect of subscription received on account of right certificates during the current period. Hence, the figures for the prior period's earnings per certificate have also been restated. (refer note 13)

12 GENERAL

Comparative information have been rearranged, wherever necessary.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue on **April 29th 2013** by the Board of Directors of the Management Company.

BOOK POST
Printed Matter

Under Postal Certificate

If undelivered please return to:

First Paramount Modaraba

(An Islamic Financial Institution)

REGISTERED OFFICE

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