

Half Yearly Report

for the period ended December 31, 2015 (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 - Positive
By JCR VIS Credit Company

First Shariah Certified Modaraba





First Paramount Modaraba
(An Islamic Financial Institution)

CONTENTS

Mission & Vision	01
Corporate Information	02
Directors Report	03
Report on Review of Condensed Interim Financial	04
Shari'ah Advisor's Report	05
Balance Sheet	06
Profit and Loss Account	07
Condensed Interim Statement of Comprehensive Income (Un-Audited)	08
Cash Flow Statement	09
Statement of Changes in Equity	10
Notes to the Interim Financial Information (unaudited)	11

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

Corporate Information

MODARABA COMPANY MANAGED BY: PARAMOUNT INVESTMENTS LIMITED

BOARD OF DIRECTORS

Mr. Tanveer Ahmed Magoon	Chairman
Mr. Syed Wajih Hassan	Chief Executive Officer
Mr. Pir Muhammad Kalia	Director
Mr. Abdul Razzak Jandga	Director
Mr. Nadeem Iqbal	Independent Director
Mr. Humayun Mazhar Qureshi	Director
Mr. Khalid Rehman	Director

AUDIT COMMITTEE

Mr. Nadeem Iqbal	Chairman
Mr. Pir Muhammad Kalia	Member
Mr. Humayun Mazhar Qureshi	Member

HUMAN RESOURCE COMMITTEE

Mr. Tanveer Ahmed Magoon	Chairman
Mr. Pir Muhammad Kalia	Member
Mr. Nadeem Iqbal	Member
Mr. Syed Wajih Hassan	Member

CHIEF FINANCIAL OFFICER / COMPANY SECRETARY

Mr. Abdullah Khan

SHARIAH ADVISOR

Mufti Muhammad Najeeb Khan

CREDIT RATING

Long term **BBB**
 Short Term **A-3**
 Out Look **Positive**
 By JCR Credit Rating Company

AUDITORS OF THE MODARABA

M/s Ernst & Young Ford Rhodes Sidat Hyder
 Chartered Accountants

Directors' Report to the Certificate Holders

The Directors of Paramount Investments Limited, the management Company of First Paramount Modaraba, are pleased to present the unaudited financial statements for the period ended on 31st December, 2015, Auditors' review report and Shari'ah Advisor's report thereon.

Al-Hamdolillah, Modaraba has posted a profit of PKR 4,516,149/= (EPS=0.33 for the half year ended on 31st December 2015, compared to last years' results for the same period (PKR 8,501,687/=). This decrease in profits is due to difficult times some of the Musharika Projects are going through. Generator Rental and Weaving Unit have performed below par due to changed business environment and issues with the textile industry. Since January 2016, Weaving Unit has come out of losses while management of Modaraba has devised a strategy for Generator Project. InshaAllah this will reflect positively in future results of the Modaraba.

Management's plan to enhance its asset base by

- a) employing funds through the issue of "Certificate of Musharika" and
- b) further issue of Share Capital – Right Issue,

will continue in future also.

The Process of 3rd Right Shares Issue would tentatively be started in late 2nd Quarter of financial year subject to SECP approval. This will not only bring funds to the Modaraba but also broaden its Equity Base – an essential to exploit fixed costs of Modaraba to the optimum.

Future Outlook:

Based on the results of past two quarters, Management of Modaraba is optimistic that Modaraba's results for the financial year 2015-16 shall Insh-Allah be better than the results of the past financial year.

Acknowledgement:

Management of the Modaraba and the Board of Director recognize the continual patronage and cooperation of the regulators especially of the offices of Registrar Modaraba, Security Exchange Commission of Pakistan, Islamabad and State Bank of Pakistan.

Management also appreciates hard-work and dedication of the staff members of Modaraba.

For and on behalf of Board of Directors of
Paramount Investments Limited (PIL)
Managers of First Paramount Modaraba

Karachi.

Date: February 27, 2016

Syed Wajih Hassan
Chief Executive Officer

AUDITORS' REPORT TO THE CERTIFICATE HOLDERSON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim balance sheet of **First Paramount Modaraba** (the Modaraba) as at **31 December 2015**, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial information"). The Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner: Shabbir Yunus

Date: 27-Feb-2016

Karachi

Shariah Advisor's Report

I have conducted the Shariah review of First Paramount Modaraba managed by Paramount Investments Limited Modaraba Company for the financial year ended December 31st 2015, in accordance with the requirements as reported hereunder, in my opinion:

1. The Modaraba has introduced a mechanism which has strengthened the Shariah compliance in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shariah principles.
2. Following were the major developments that took place during the year:

(A) Research and new product development (Brief on the research and new product development, if applicable)

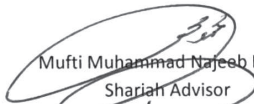
3. The agreement(s) entered into by the Modaraba are Shariah compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board and all the related conditions have been met.
4. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shariah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shariah Compliance and Shariah Audit Regulations for Modaraba's.
5. Profit sharing ratios, profits and charging of losses (if any) relating to any deposit raising product conforms to the basis and principles of Shariah.
6. The earnings that have been realized from the sources or by means prohibited by Shariah have been credited to charity accounts.

Observation(s) Nil

Recommendation (s) Nil

Conclusion:

Dated: February 19th 2016


Mufti Muhammad Najeem Khan
Shariah Advisor
of First Paramount Modaraba
Managed By Paramount Investments Limited

**FIRST PARAMOUNT MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2015**

ASSETS	Note	December 31, 2015	June 30, 2015
		----- (Rupees) -----	
NON-CURRENT ASSETS			
Operating fixed assets	6	54,605,025	55,644,542
Long-term murabaha financing	7	43,592,744	44,861,168
Long-term diminishing musharaka financing	8	4,047,519	7,102,591
Long-term musharaka financing	9	73,954,000	67,158,000
Loans to employees		286,678	265,676
Long-term deposits		657,272	564,600
Total non-current assets		177,143,238	175,596,577
CURRENT ASSETS			
Stores and spares		3,593,115	1,660,585
Trade debts		30,449,154	18,473,752
Advances, deposits, prepayments and other receivables		8,537,517	10,618,569
Accrued profit		65,000	53,591
Advance income tax		1,836,710	1,199,769
Current portion of long-term murabaha financing		84,893,484	75,618,533
Current portion of long-term diminishing musharaka financing		9,742,984	15,220,414
Current portion of musharaka financing		18,311,032	18,173,532
Current portion of loans to employees		279,996	231,996
Short-term murabaha receivables	10	40,607,666	50,523,189
Advances against murabaha and musharaka		37,032,580	21,000,080
Cash and bank balances	11	45,609,791	51,480,921
Total current assets		280,959,029	264,254,931
TOTAL ASSETS		458,102,267	439,851,508
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Certificate Capital			
Authorised			
25,000,000 (June 30, 2015: 25,000,000) certificates of Rs.10 each		<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid-up		137,884,193	119,899,298
Capital reserves		40,124,859	58,109,754
Unappropriated profit		<u>23,329,978</u>	<u>28,405,773</u>
Total certificate holders' equity		201,339,030	206,414,825
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income		6,702,228	9,043,095
Certificates of musharaka	12	<u>162,426,700</u>	<u>135,668,787</u>
Total non-current liabilities		169,128,928	144,711,882
CURRENT LIABILITIES			
Creditors, accrued and other liabilities		16,055,813	17,489,004
Current portion of certificates of musharaka		36,634,352	39,708,629
Current portion of deferred income		18,485,913	18,635,914
Payable to Modaraba's management company - a related party		586,844	1,107,751
Unclaimed profit distributions		<u>15,871,387</u>	<u>11,783,503</u>
Total current liabilities		87,634,309	88,724,801
TOTAL EQUITY AND LIABILITIES		458,102,267	439,851,508
CONTINGENCIES AND COMMITMENTS			
	13		

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Director

FIRST PARAMOUNT MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

	Note	Half year ended		Quarter ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
----- (Rupees) -----					
Operating income	14	59,888,001	35,218,981	34,406,875	20,232,887
Operating costs					
Provision for doubtful recoveries		757,449	263,595	807,448	393,921
Operating expenses		46,480,128	21,661,027	27,251,386	12,517,963
		(47,237,577)	(21,924,622)	(28,058,834)	(12,911,884)
		<u>12,650,424</u>	<u>13,294,359</u>	<u>6,348,041</u>	<u>7,321,003</u>
Other income -net	15	1,072,325	1,497,562	(866,037)	1,883,279
		<u>13,722,749</u>	<u>14,791,921</u>	<u>5,482,004</u>	<u>9,204,282</u>
Financial charges		(8,515,613)	(4,978,358)	(3,987,413)	(3,298,047)
Provision for Workers' Welfare Fund		(104,143)	(196,271)	(29,892)	(118,125)
		<u>5,102,993</u>	<u>9,617,292</u>	<u>1,464,699</u>	<u>5,788,110</u>
Modaraba company's management fee		(510,299)	(961,729)	(146,470)	(578,811)
Sales tax on Modaraba company's management fee		(76,545)	(153,877)	(21,971)	(92,610)
Profit for the period		<u><u>4,516,149</u></u>	<u><u>8,501,686</u></u>	<u><u>1,296,258</u></u>	<u><u>5,116,689</u></u>
Earnings per certificate - basic and diluted		<u>0.33</u>	<u>0.92</u>	<u>0.06</u>	<u>0.55</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Director

FIRST PARAMOUNT MODARABA
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- (Rupees) -----			
Profit for the period	4,516,149	8,501,686	1,296,258	5,116,689
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>4,516,149</u>	<u>8,501,686</u>	<u>1,296,258</u>	<u>5,116,689</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

 Chief Executive

 Director

 Director

**FIRST PARAMOUNT MODARABA
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	Half year ended	
	December 31, 2015	December 31, 2014
	----- (Rupees) -----	
Profit for the period	4,516,149	8,501,686
Adjustments for:		
Depreciation on tangible fixed assets	1,562,769	1,591,066
Depreciation on intangible assets	226,664	19,897
Provision for Workers' Welfare Fund	104,143	196,271
Provision for doubtful recoveries	757,449	263,595
Financial charges	8,515,613	4,978,358
Loss on sale of assets in own use	-	657,957
Operating profit before working capital changes	<u>15,682,787</u>	<u>16,208,830</u>
(Increase) / decrease in assets		
Diminishing musharaka receivables - net	6,933,062	2,137,295
Stores and spares	(1,932,530)	(610,181)
Long-term deposits	(92,672)	(277,800)
Trade debtors	(11,975,402)	(2,595,795)
Receivable from Modaraba management company - a related party	-	11,652
Advances, prepayments and other receivable	2,000,695	(1,957,933)
Advance income tax	(636,941)	-
Increase / (decrease) in liabilities		
Creditors, accrued and other liabilities	(1,537,347)	1,921,151
Payable to Modaraba Management Company	(520,907)	903,954
Net cash from operations	<u>7,920,745</u>	<u>15,741,173</u>
Income tax paid		
Financial charges paid	(8,515,613)	(4,978,358)
Net cash (used) / generated from operating activities	<u>(594,868)</u>	<u>10,762,815</u>
Cash flows from investing activities		
Murabaha receivable - net	260,119	(31,954,755)
Musharaka arrangements	(7,433,500)	-
Advance against murabaha	(15,532,500)	3,200,000
Capital expenditure including capital work-in-progress	(749,957)	(5,802,814)
Investment - net	-	(38,361,067)
Sale proceeds of assets in own use	-	7,365,456
Net cash used in investing activities	<u>(23,455,838)</u>	<u>(65,553,180)</u>
Cash flows from financing activities		
Musharaka financing - net	23,683,636	37,440,583
Profit distributed	(5,504,060)	(9,338,835)
Net cash from financing activities	<u>18,179,576</u>	<u>28,101,748</u>
Net decrease in cash and cash equivalents	<u>(5,871,130)</u>	<u>(26,688,617)</u>
Cash and cash equivalents at beginning of the period	<u>51,480,921</u>	<u>41,631,483</u>
Cash and cash equivalents at end of the period	<u>45,609,791</u>	<u>14,942,866</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Director

**FIRST PARAMOUNT MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	Certificate capital	Reserves		Total	
		Capital reserve	Revenue reserves		
	Issued, subscribed and paid-up	Merger reserve	Statutory reserve (Rupees)	Unappropriated profit	
Balance as at July 01, 2014	83,845,663	1,935,160	62,528,427	31,182,775	179,492,025
Profit distribution for the year ended June 30, 2014 @ Rs.1.30 per certificate	-	-	-	(10,899,936)	(10,899,936)
Issuance of Bonus certificates @ 10% for the period ended December 31, 2014	8,384,566	-	(8,384,566)	-	-
Profit for the period	-	-	-	8,501,686	8,501,686
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	8,501,686	8,501,686
Balance as at December 31, 2014	92,230,229	1,935,160	54,143,861	28,784,525	177,093,775
Issuance of right certificate of Rs.10 each	27,669,069	-	-	-	27,669,069
Profit for the year	-	-	-	1,651,981	1,651,981
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,651,981	1,651,981
Transferred to statutory reserve @ 20%	-	-	2,030,733	(2,030,733)	-
Balance as at June 30, 2015	119,899,298	1,935,160	56,174,594	28,405,773	206,414,825
Profit distribution for the year ended June 30, 2015 @ Rs.0.80 per certificate	-	-	-	(9,591,944)	(9,591,944)
Issuance of Bonus certificates @ 15%	17,984,895	-	(17,984,895)	-	-
Profit for the period	-	-	-	4,516,149	4,516,149
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4,516,149	4,516,149
Balance as at December 31, 2015	<u>137,884,193</u>	<u>1,935,160</u>	<u>38,189,699</u>	<u>23,329,978</u>	<u>201,339,030</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Director

FIRST PARAMOUNT MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

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 Pakistan Stock Exchange (formerly Karachi and Islamabad Stock Exchanges). The registered office of the Modaraba is situated at Karachi. Modaraba's principal activities include deployment of funds on murabaha and musharaka arrangements and its in-house ventures are Generator rental and sale project under the name "AL-BURQ Associates", Weaving business under the name of "FPM Weaving", Electrical maintenance and troubleshooting services' business under the name of "FPM Solutions" and Chemical business under the name of "FPM Petro Services".

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information 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.

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 June 30, 2015.

The figures of the condensed interim financial statements for the quarters ended 31 December 2015 and 2014 have not been reviewed as auditors have reviewed the cumulative figures for the half year ended 31 December 2015 and 31 December 2014.

2.2 Functional and presentation currency

The financial information is presented in Pakistan rupees, which is the Modaraba's functional and presentation currency. Figures have been rounded off to the nearest rupee, unless stated otherwise.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

New / Revised Standards, Interpretations and Amendments

The Modaraba has adopted the following revised standards, amendments and interpretation of IFRSs which became effective for the current period:

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

The adoption of the above amendments to accounting standards did not have any effect on the condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Modaraba believes that such improvements to the standards do not have any impact on the Modaraba's financial statements for the period.

4. ACCOUNTING ESTIMATES

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Modaraba's accounting policies and the key sources of estimation and uncertainty are the same as those that apply to the financial statements for the year ended June 30, 2015.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Modaraba for the year ended June 30, 2015.

		(Unaudited) December 31, 2015	(Audited) June 30, 2015
	Note	----- (Rupees) -----	
6. OPERATING FIXED ASSETS			
Tangible fixed assets	6.1	53,320,584	54,133,396
Intangible assets		1,284,441	1,511,146
		<u>54,605,025</u>	<u>55,644,542</u>
6.1 Cost			
Opening balance		67,165,024	72,127,860
Additions / (disposals) - net		749,957	(4,962,836)
		<u>67,914,981</u>	<u>67,165,024</u>
Accumulated depreciation			
Opening balance		13,031,628	12,790,145
For the period - net of disposal		1,562,769	241,483
		<u>14,594,397</u>	<u>13,031,628</u>
Written down value		<u>53,320,584</u>	<u>54,133,396</u>
7. LONG-TERM MURABAHA FINANCING - secured			
Considered good - secured		128,486,228	120,479,701
Considered doubtful		3,792,963	3,035,514
		<u>132,279,191</u>	<u>123,515,215</u>
Provision for doubtful recoveries		(3,792,963)	(3,035,514)
		<u>128,486,228</u>	<u>120,479,701</u>
Current portion of long-term murabaha financing		(84,893,484)	(75,618,533)
		<u>43,592,744</u>	<u>44,861,168</u>
8. LONG-TERM DIMINISHING MUSHARAKA FINANCING - secured			
Considered good - secured		13,790,503	22,323,005
Current portion of long-term diminishing musharaka financing		(9,742,984)	(15,220,414)
		<u>4,047,519</u>	<u>7,102,591</u>
9. MUSHARAKA FINANCING - secured			
Musharaka for garments	9.1	18,311,032	18,173,532
Musharaka for fabric	9.2	744,000	1,044,000
Musharaka for food product	9.3	12,000,000	12,000,000
Musharaka for printing	9.4	3,000,000	3,000,000
Musharaka for school's stationery expenses	9.5	3,000,000	-
Musharaka for UPS system	9.6	22,710,000	19,614,000
Musharaka for RO plant	9.7	12,500,000	11,500,000
Musharaka for dry fruits, spices and herbs	9.8	20,000,000	20,000,000
		<u>92,265,032</u>	<u>85,331,532</u>
Current portion of long-term musharaka financing		(18,311,032)	(18,173,532)
		<u>73,954,000</u>	<u>67,158,000</u>

- 9.1 This musharaka arrangement carries a profit sharing ratio between modaraba and musharaka partner of 40:60 respectively.
- 9.2 This musharaka arrangement carries a profit sharing ratio between modaraba and musharaka partner of 40:60 respectively and loss sharing ratio of 72:28 respectively.
- 9.3 This musharaka arrangement carries a profit sharing ratio between modaraba and musharaka partner of 30:70 respectively.
- 9.4 This musharaka arrangement carries a profit sharing ratio between modaraba and musharaka partner of 55:45 respectively.
- 9.5 This musharaka arrangement carries a profit sharing ratio between modaraba and musharaka partner of 65:35 respectively and loss sharing ratio of 86:14 respectively.
- 9.6 This musharaka arrangement carries a profit sharing ratio between modaraba and musharaka partner of 50:50 respectively.
- 9.7 This musharaka arrangement carries a profit sharing ratio between Modaraba and musharaka partner (a) Project 1: 15:85 and loss sharing ratio of 39:61 respectively, (b) Project 2: 16.64:83.36 and loss sharing ratio of 43.78:56.22 respectively.
- 9.8 This musharaka arrangement carries a profit and loss sharing ratio between modaraba and musharaka partner of 50:50 respectively.

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
10. SHORT-TERM MURABAHA RECEIVABLE	----- (Rupees) -----	
Considered good - secured	40,607,666	50,523,189
Considered doubtful	-	-
	<u>40,607,666</u>	<u>50,523,189</u>
Provision for doubtful recoveries	-	-
	<u>40,607,666</u>	<u>50,523,189</u>

11. CASH AND BANK BALANCES

Cash in hand	16,761	17,156
Cash at banks		
- Current accounts	11.1 7,019,010	30,462,346
- Deposit accounts	11.2 38,574,020	21,001,419
	<u>45,609,791</u>	<u>51,480,921</u>

- 11.1 This includes Rs.2,247,774 (June 30, 2015: Rs.8,612,085) in respect of Redemption Reserve Fund established on account of Musharaka financing.
- 11.2 Effective profit rate in respect of deposit accounts is 2.60% to 5.15% (June 30, 2015: 2.85% to 7.40%) per annum.

12. CERTIFICATES OF MUSHARAKA

Certificates of musharaka	199,061,052	175,377,416
Current portion of certificates of musharaka	<u>(36,634,352)</u>	<u>(39,708,629)</u>
	<u>162,426,700</u>	<u>135,668,787</u>

- 12.1 These certificates have different denominations and are repayable within three months to five years. The estimated share of profit on these certificates ranges from 7.60% to 10.75% (June 30, 2015: 8.75% to 10.75%) per annum.

13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2015.

----- (Unaudited) -----					
		Half year ended		Quarter ended	
		December 31,	December 31,	December 31,	December 31,
		2015	2014	2015	2014
Note	----- (Rupees) -----				
14. OPERATING INCOME					
		14,503,585	11,840,953	6,659,254	6,202,120
		2,067,453	2,471,255	894,950	1,280,084
		3,217,430	7,700,657	(4,210,528)	5,677,064
		6,657,036	-	6,657,036	-
	14.1	3,276,548	6,072,652	628,900	3,021,393
	14.2	3,012,869	3,876,211	1,543,331	1,867,573
	14.3	20,167,830	3,257,253	17,451,505	2,184,653
	14.4	6,985,250	-	3,559,500	-
		<u>59,888,001</u>	<u>35,218,981</u>	<u>33,183,948</u>	<u>20,232,887</u>
14.1	This represents income generated from rental business of Al-BURQ Associates representing Modaraba's share of 52.09%.				
14.2	This represents income generated from weaving business of FPM weaving representing Modaraba's share of 55%.				
14.3	This represents income generated from Project Power Solution business of FPM Solutions representing Modaraba's share.				
14.4	This represents income generated from chemical supplies to petroleum drilling business of FPM Petro representing Modaraba's share.				
15. OTHER INCOME - NET					
		-	(657,957)	-	(224,377)
		594,987	965,036	325,953	629,412
		302,465	-	52,465	-
		27,818	172,670	(36,668)	93,086
		-	557,075	-	553,168
		-	361,067	-	361,067
		147,055	99,671	15,140	470,923
		<u>1,072,325</u>	<u>1,497,562</u>	<u>356,890</u>	<u>1,883,279</u>
16. TRANSACTIONS WITH RELATED PARTIES					
Related parties of the Modaraba comprise the Modaraba management company [Paramount Investments Limited] and their directors and executives / officers. Details of transactions with related parties other than those which have been disclosed elsewhere in the condensed interim financial information are given below:					

		----- (Unaudited) -----	
		Half year ended	
		December 31,	December 31,
		2015	2014
Relationship	Nature of Transaction		
Management company	Management fee	586,844	1,115,606
Management company	Management fee paid	-	200,000
Musharaka investor - Generator project	Share of profit / (loss)	398,251	2,141,503
Musharaka investor - Generator project	Management fee	27,818	172,670
Musharaka investor - Weaving project	Share of (loss) / profit	(661,103)	(30,484)
Musharaka investor - Weaving project	Management fee	-	-
Musharaka investor - Solution project	Share of (loss) / profit	1,327,083	(417,288)
Musharaka investor - Solution project	Management fee	-	-

17. TAXATION

As per the current tax law, income of non-trading modarabas is exempt from income tax provided they distribute ninety percent of their profit to certificate holders out of current year's total profit after appropriating statutory reserves. As the management intends to follow the aforesaid policy for profit distribution for the current year, no provision with respect to current and deferred taxation has been made in this condensed interim financial information.

18. INFORMATION ABOUT BUSINESS SEGMENTS

Segment assets and liabilities

	December 31, 2015 (Un-audited)								
	Generator project		Weaving project		Solutions project		Murabaha Financing	FPM Petro	Total
	Total	Modaraba's share	Total	Modaraba's share	Total	Modaraba's share			
	(Rupees)								
Total assets	60,165,122	31,340,012	28,283,507	18,384,280	23,939,810	23,939,810	376,752,038	7,686,114	458,102,254
Total liabilities	845,466	440,403	1,618,884	1,052,275	8,064,730	8,064,730	244,605,913	2,599,903	256,763,224

	June 30, 2015 (Audited)								
	Generator project		Weaving project		Solutions project		Murabaha Financing	FPM Petro	Total
	Total	Modaraba's share	Total	Modaraba's share	Total	Modaraba's share			
	(Rupees)								
Total assets	64,303,450	33,495,667	29,321,489	19,058,968	18,661,802	18,661,802	367,702,799	932,272	439,851,508
Total liabilities	2,004,726	1,044,262	971,315	631,355	-	-	231,761,066	-	233,436,683

Segment results

	For the quarter ended December 31, 2015								
	Generator project		Weaving project		Solutions project		Murabaha Financing	FPM Petro	Total
	Total	Modaraba's share	Total	Modaraba's share	Total	Modaraba's share			
	(Rupees)								
External revenue	1,207,333	628,900	2,806,057	1,543,331	13,134,794	13,134,794	10,000,712	3,559,500	28,867,237
Profit before tax	(1,007,754)	(524,939)	(581,866)	(320,026)	2,272,182	2,272,182	(627,414)	496,457	1,296,260

	For the quarter period ended December 31, 2014								
	Generator project		Weaving project		Solutions project		Murabaha Financing	FPM Petro	Total
	Total	Modaraba's share	Total	Modaraba's share	Total	Modaraba's share			
	(Rupees)								
External revenue	5,800,333	3,021,393	3,395,587	1,867,573	2,184,653	2,184,653	13,159,268	-	20,232,887
Profit before tax	1,923,938	1,002,179	(195,652)	(107,609)	(215,995)	(215,995)	4,438,114	-	5,116,689

	For the half year ended December 31, 2015								
	Generator project		Weaving project		Solutions project		Murabaha Financing	FPM Petro	Total
	Total	Modaraba's share	Total	Modaraba's share	Total	Modaraba's share			
	(Rupees)								
External revenue	6,290,167	3,276,548	5,477,944	3,012,869	14,628,192	14,628,192	26,445,504	6,985,250	54,348,363
Profit before tax	764,545	398,251	(1,202,006)	(661,103)	1,327,083	1,327,083	2,099,261	1,352,657	4,516,149

	For the half year period ended December 31, 2014								
	Generator project		Weaving project		Solutions project		Murabaha Financing	FPM Petro	Total
	Total	Modaraba's share	Total	Modaraba's share	Total	Modaraba's share			
	(Rupees)								
External revenue	11,658,000	6,072,652	7,047,656	3,876,211	2,854,753	2,854,753	22,012,865	-	34,816,481
Profit before tax	4,111,160	2,141,503	(55,425)	(30,484)	(417,288)	(417,288)	6,807,955	-	8,501,686

19. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on _____ by the Board of Directors of the Modaraba Management Company.

Chief Executive

Director

Director

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Printed Matter

Under Postal Certificate

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. Shaira-e-Quaideen, Karachi.
Ph: 34381037 - 38 - 52, Fax: 34534410,
Email: fpm@cyber.net.pk
Web: www.fpm.com.pk

FRIEND PRINTERS
Tel: 36886775, Cell: 0300-2215653,
Email: friendprinters@cyber.net.pk