

**CORPORATE INFORMATION****Board of Directors of Prudential Capital Management Ltd.**

| | |
|-------------------------|----------|
| Mr. Asad Iqbal Siddiqui | Director |
| Mr. Muhammad Asif | Director |
| Mr. Fazal M. Mughal | Director |
| Mr. Ataullah Khan | Director |
| Dr. Muhammad Hussain | Director |

COMPANY SECRETARY

Mr. Muhammad Musharraf Khan

AUDIT COMMITTEE

| | |
|---------------------|----------|
| Mr. Muhammad Asif | Chairman |
| Mr. Fazal M. Mughal | Member |
| Mr. Ataullah Khan | Member |

AUDITORSM.Yousuf Adil Saleem & Co.
Chartered Accountants**LEGAL ADVISORS**Mohammad Zubair Quraishy
S. Tauqir Hassan & Co.**BANKERS**Standard Chartered Bank
Faysal Bank Ltd.
MCB Bank
Al Baraka Bank (Pak.) Ltd.
Summit Bank Ltd.**MANAGEMENT COMPANY**

Prudential Capital Management Limited

REGISTERED OFFICEOffice No. 54, Ground Floor,
Beverly Centre, 56-G, Blue Area,
Islamabad.
Tel: 2825343 Fax: 2814000
E-mail: info@firstprudentialmodaraba.com**STOCK EXCHANGE**

First Prudential Modaraba is managed by Prudential Capital Management Ltd. and is listed on Karachi, Lahore and Islamabad Stock Exchanges. Daily quotation of the company's stock can be obtained from leading newspapers, listed under modarabas.

PUBLIC INFORMATIONFinancial analysts, Stock, broker, interested investors and financial media desiring information about First Prudential Modaraba should contact Syed Imran Ali (Chief Financial Officer) Mehersons Estate, 1st Floor, Block No. 1, Talpur Road, P.O. Box 621, Karachi-74000
Tel: PABX 32429632-4 Fax:32420015
E-mail: info@firstprudentialmodaraba.com**CERTIFICATE HOLDERS INFORMATION**

Enquiries concerning lost Modaraba certificates, dividend payment, change of address, verification of transfer deeds and certificate transfer should be directed to the Registrar of First Prudential Modaraba i.e. Shares & Corporate Services (Pvt) Ltd. Mehersons Estate, Block E, Talpur Road, Karachi-74000

Tel: PABX 32429632-4 Fax: 32420015
E-mail: info@firstprudentialmodaraba.com**KARACHI OFFICE**Mehersons Estate, 1st Floor, Block No. 1, Talpur Road, P.O. Box 621, Karachi-74000
Tel: PABX 32429632-4 Fax:32420015
E-mail: info@firstprudentialmodaraba.com**DIRECTOR'S REPORT**

The Board of Directors of Prudential Capital Management Limited, the Management Company of First Prudential Modaraba has pleasure in presenting the Financial Statements (un-audited) for the nine months ended March 31, 2011.

FINANCIAL HIGHLIGHTS

Financial results for the period are summarized below:

| | (Rs. In million) | |
|-------------------------------|------------------|---------------|
| | March 2011 | March 2010 |
| Total Revenue | 66.492 | 67.578 |
| Operating Expenses | 35.416 | 38.613 |
| Profit/(Loss) from operations | 31.076 | 28.966 |
| Net Profit/(Loss) | 35.807 | 31.677 |
| Earning Per Share | 0.41 | 0.36 |

REVIEW OF OPERATIONS

During the period under review, your Modaraba has performed well and managed to post a net profit of Rs.35.807 million as against Profit of Rs.31.677 million during the corresponding nine months period. Keeping in view the adverse economic conditions, your management adopted strict credit policies and conservative approach for fresh disbursement. Ijarah financing of Rs.35.431 million were disbursed during this period. Similarly, trading in the stock market was done on a very calculated manner, thus earning a net income of Rs.7.087 million in 2011 as against Rs.4.821 million in the year 2010. However, no new Morabaha or Musharika finance was disbursed during the period as there is a relatively high risk in these areas.

In the month of October, Registrar Modaraba on the basis of Show Cause Notice, the legality of which was challenged by your Modaraba, cancelled the authorization of the Management Company of the Modaraba. Since Board of Directors of Modaraba strongly felt that this order was legally invalid and that the sweeping powers under Section 20 of the Modaraba Ordinance vested in the Registrar Modaraba were against the Constitution of Pakistan which guarantees a "fair trial" and "due process", we challenged the order in the Sindh High Court who was kind to issue a Stay Order for the implementation of Registrar Modaraba Order handing over the Management to another Management Company. These Constitution Petitions are pending with the Sindh High Court. Meanwhile your Modaraba has filed another Constitution Petition in Islamabad High Court challenging Section 20 of the Modaraba Ordinance which, in our opinion, is against the Constitution of Pakistan and therefore void to that extent. This action of Registrar Modaraba /Securities & Exchange Commission of Pakistan has caused reduction in Income as well as panic in staff.

FUTURE OUTLOOK

In view of the cancellation of authorization by Registrar Modaraba, activities of your Modaraba presently are almost at a stand-still. We understand that this is damaging the interest of certificate holders but we have very little in our hands to counter the situation. Let us pray together that the situation changes as soon as possible.

For & on behalf of the Board of Directors of
Prudential Capital Management Limited
Managers of First Prudential ModarabaKARACHI.
April 23, 2011



**BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2011**

| ASSETS | Note | Un-audited March 31, 2011 Rupees | Audited June 30, 2010 Rupees |
|--|------|---|---------------------------------------|
| Current Assets | | | |
| Cash and bank balances | 5 | 274,471,145 | 288,557,336 |
| Investments | 6 | 98,231,293 | 73,431,716 |
| Musharika, morabaha and other finance | 7 | 26,520,801 | 30,610,088 |
| Ijarah rentals receivable | 8 | 2,456,652 | 2,762,272 |
| Advances, prepayments and other receivables | | 48,115,621 | 34,150,437 |
| Total Current Assets | | 449,795,512 | 429,511,849 |
| Long term investments | | 6,565,027 | 7,277,249 |
| Long term portion of musharika, morabaha and other finance | | 5,489,286 | 11,530,633 |
| Long term deposits | | 3,066,192 | 3,066,192 |
| Intangible asset | | 22,326,567 | 22,326,567 |
| Property and equipment - owned | | 294,543 | 288,014 |
| Property, plant and equipment -Ijarah | | 87,009,198 | 85,179,371 |
| Investment property | | 9,922,500 | 9,922,500 |
| TOTAL ASSETS | | 584,468,825 | 569,102,375 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Current portion of long term ijarah deposits | | 27,984,519 | 29,101,346 |
| Accrued and other liabilities | | 3,176,595 | 3,010,786 |
| Unclaimed dividend | | 15,664,566 | 12,436,849 |
| Unclaimed Profit | | - | - |
| Total Current Liabilities | | 46,825,680 | 44,548,981 |
| Non-current liabilities | | | |
| Long term ijarah deposits | | 22,184,132 | 19,065,990 |
| TOTAL LIABILITIES | | 69,009,812 | 63,614,971 |
| NET ASSETS | | 515,459,013 | 505,487,404 |
| REPRESENTED BY | | | |
| Certificate Capital | | | |
| 87,217,660 Modaraba Certificates of Rupees 10/- each | | 872,176,600 | 872,176,600 |
| Statutory reserve | | 120,244,702 | 120,244,702 |
| Accumulated loss | | (476,962,289) | (486,933,898) |
| | | <u>515,459,013</u> | <u>505,487,404</u> |
| Contingencies and commitments | | | |

The annexed notes form an integral part of these condensed interim financial information.
Statement under rule 12 (2) of the Modaraba Companies Rules, 1981:

These condensed interim financial information has been signed by three directors instead of chief executive officer and two directors. The management company has not so far appointed a chief executive officer.

Director

Director

Director

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**PROFIT & LOSS ACCOUNT (UN-AUDITED)
For the Period Ended March 31, 2011**

| INCOME / (LOSS) | Jul 2010 to March 31, 2011 | Jul 2009 to March 31, 2010 | January 2011 to March 31, 2011 | January 2010 to March 31, 2010 |
|---|----------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| | Rupees | | | |
| INCOME / (LOSS) | | | | |
| Ijarah rentals | 24,978,957 | 25,418,116 | 9,057,810 | 8,684,371 |
| Return on term deposit receipts and PLS accounts | 28,393,362 | 20,035,987 | 9,329,248 | 7,640,325 |
| Income on musharika, morabaha and other finance | 2,509,177 | 8,350,829 | 767,106 | 4,038,897 |
| Gain/(loss) on sale of investments | 7,087,781 | 4,821,287 | 1,842,681 | 2,037,726 |
| Dividend income | 2,325,988 | - | 1,139,420 | - |
| Other income | 1,197,408 | 8,953,734 | (109,852) | 2,601,003 |
| | <u>66,492,673</u> | <u>67,579,953</u> | <u>22,026,413</u> | <u>25,002,322</u> |
| Impairment loss on investment in associate | (1,041,814) | - | 1 | - |
| Unrealized gain on remeasurement of investment property | | | | |
| Unrealized gain/(loss) on remeasurement of held for trading investments | 5,772,024 | 12,058,849 | 1,043,120 | (4,569,860) |
| Reversal / (provision) against doubtful receivables-net | - | (9,348,486) | (62,648) | (1,721,298) |
| | <u>71,222,883</u> | <u>70,290,316</u> | <u>23,006,886</u> | <u>18,711,164</u> |
| EXPENDITURE | | | | |
| Amortization on ijarah assets | (21,153,711) | (25,969,630) | (6,896,227) | (7,661,356) |
| Administrative expenses | (14,221,156) | (12,620,125) | (3,643,260) | (3,273,999) |
| Workers welfare fund | - | - | 466,461 | - |
| Bank and other charges | (40,807) | (22,993) | (18,247) | (5,284) |
| | <u>(35,415,674)</u> | <u>(38,612,748)</u> | <u>(10,091,273)</u> | <u>(10,940,639)</u> |
| Profit/(loss) for the period | 35,807,209 | 31,677,568 | 12,915,613 | 7,770,525 |
| Modaraba company's management fee | - | - | - | - |
| Profit/(loss) before taxation | 35,807,209 | 31,677,568 | 12,915,613 | 7,770,525 |
| Provision for taxation | - | - | - | - |
| Profit/(loss) after taxation | <u>35,807,209</u> | <u>31,677,568</u> | <u>12,915,613</u> | <u>7,770,525</u> |
| Other comprehensive income | | | | |
| Unrealized gain on remeasurement of 'available for sale investments' | 329,592 | - | - | - |
| Total comprehensive income / (loss) for the period | <u>35,807,209</u> | <u>31,677,568</u> | <u>12,915,613</u> | <u>7,770,525</u> |
| Earnings per certificate | <u>0.41</u> | <u>0.36</u> | <u>0.15</u> | <u>0.09</u> |

The annexed notes form an integral part of these condensed interim financial information.
Statement under rule 12 (2) of the Modaraba Companies Rules, 1981:

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INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED)
For the Period Ended March 31, 2011

| | March 31, 2011 Rupees | March 31, 2010 Rupees |
|--|-----------------------------|-----------------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 35,807,209 | 31,677,568 |
| Adjustments for non-cash changes and other items: | | |
| Dividend income | (2,325,988) | 3,049,578 |
| Gain on disposal-own assets | - | (93,501) |
| Gain on disposal-ijarah assets | (115,039) | (1,665,543) |
| Unrealized gain on remeasurement of held for trading investments | (5,772,024) | (12,058,849) |
| Gain on sale of investments | (7,087,781) | - |
| Provision against doubtful receivables-net | - | 9,348,486 |
| Impairment loss on investment in associate | 1,041,814 | - |
| Depreciation-owned | 181,308 | - |
| Amortization on ijarah assets | 21,153,711 | 25,969,630 |
| | <u>7,076,001</u> | <u>24,549,801</u> |
| | 42,883,210 | 56,227,369 |
| Cash flows before movements in working capital | | |
| (Increase) / decrease in operating assets | | |
| Musharika, morabaha and other finance | 10,130,634 | 38,986,587 |
| Ijarah rentals receivable | 305,620 | 29,291,141 |
| Advances, prepayments and other receivables | (17,526,486) | 15,420,226 |
| | <u>(7,090,232)</u> | <u>83,697,954</u> |
| Increase/(decrease) in operating liabilities | | |
| Long term ijarah deposits | 2,001,313 | (11,878,817) |
| Accrued and other liabilities | 163,247 | (22,578,327) |
| | <u>2,164,560</u> | <u>(34,457,144)</u> |
| Cash generated from operations | 37,957,538 | 105,468,179 |
| Income tax paid | 3,523,866 | (535,635) |
| Profit distribution | (22,937,581) | - |
| Net cash generated from operating activities | <u>18,543,823</u> | <u>104,932,544</u> |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Dividend received | 2,365,988 | (3,910,601) |
| Long term deposits paid for Stock exchange membership card | - | (22,000,001) |
| Investments encashed -net | (11,939,772) | 10,750,495 |
| Proceeds from disposal-own assets | - | 300,000 |
| Proceeds from disposal-ijarah assets | 12,334,349 | 20,366,210 |
| Purchase of own assets | (187,837) | - |
| Purchase of ijarah assets | (35,202,742) | (30,633,686) |
| Net cash generated from investing activities | <u>(32,630,014)</u> | <u>(25,127,583)</u> |
| Net increase in cash and cash equivalents | (14,086,191) | 79,804,961 |
| Cash and cash equivalents at beginning of the period | 288,557,336 | 187,666,800 |
| Cash and cash equivalents at end of the period | <u>274,471,145</u> | <u>267,471,761</u> |

These condensed interim financial information has been signed by three directors instead of chief executive officer and two directors. The management company has not so far appointed a chief executive officer.

Director

Director

Director

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STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the Period Ended March 31, 2011

| | Certificate Capital | Reserves | | Total |
|---|---------------------|---------------------------|--------------------------|--------------------|
| | | Capital Statutory Reserve | Revenue Accumulated Loss | |
| Rupees | | | | |
| Balance as at 01 July 2009 | 872,176,600 | 113,586,162 | (513,701,922) | 472,060,840 |
| Reversal of impairment on available for sale investment | | | 378,270 | 378,270 |
| Profit for the Period | | | 31,677,568 | 31,677,568 |
| Balance at 31 March 2010 | <u>872,176,600</u> | <u>113,586,162</u> | <u>(481,646,084)</u> | <u>504,116,678</u> |
| Balance as at 01 July 2010 | 872,176,600 | 120,244,702 | (486,933,898) | 505,487,404 |
| Distribution @ 3% declared for the year ended June 30, 2010 | | | (26,165,192) | (26,165,192) |
| Reversal of impairment on available for sale investment | | | 329,592 | 329,592 |
| Profit for the Period | | | 35,807,209 | 35,807,209 |
| Balance at 31 March 2011 | <u>872,176,600</u> | <u>120,244,702</u> | <u>(476,962,289)</u> | <u>515,459,013</u> |

The annexed notes form an integral part of these condensed interim financial information.

Statement under rule 12 (2) of the Modaraba Companies Rules, 1981:

These condensed interim financial information has been signed by three directors instead of chief executive officer and two directors. The management company has not so far appointed a chief executive officer.

Director

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Director

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**SELECTED EXPLANATORY NOTES (Un-Audited)
For the Period Ended March 31, 2011**

1. LEGAL STATUS AND NATURE OF BUSINESS

First Prudential Modaraba is a multipurpose, perpetual Modaraba. The Modaraba is registered under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Modaraba Companies and Modaraba Rules, 1981 and is managed by Prudential Capital Management Limited, a Modaraba incorporated in Pakistan. The Modaraba is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The Modaraba is currently engaged in various modes of Islamic funding and businesses which includes leasing of assets, deployment of fund in musharika, morabaha and investment in securities.

2. ACCOUNTING POLICIES

2.1 Accounting policies and method of computations adopted for the preparation of these financial statements are the same as applied in the preparation of the preceding annual published financial statements of the company for the year ended 30 June 2010

2.2 These accounts are prepared in compliance with the SRO 764 (1) dated November 05, 2001 of Securities and Exchange Commission of Pakistan.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

3.1 Judgements and estimates made by the management in the preparation of quarterly financial statements are the same as those applied to the annual financial statements for the year ended 30 June 2010.

3.2 There is no unusual item included in these financial statements, which is affecting assets, liabilities, equity, net income or cash flows of the Modaraba.

3. BASIS OF PREPARATION

These condensed interim financial information have been prepared under the historical cost convention, except for certain investments which have been measured at fair value / equity method.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these condensed interim financial information are the same as those applied in preparing the audited financial statements for the year ended June 30, 2010

| | Note | UNAUDITED 31 March 2011 Rupees | AUDITED 30 June 2010 Rupees |
|----------------------------------|------|---|--------------------------------------|
| 5. CASH AND BANK BALANCES | | | |
| Cash in hand | | - | 20,200 |
| Cash at banks | | | |
| Current accounts | | 6,838,719 | 1,509,796 |
| Saving accounts | 5.1 | 7,632,426 | 17,027,340 |
| Term deposit | 5.2 | 260,000,000 | 270,000,000 |
| | | <u>274,471,145</u> | <u>288,537,136</u> |
| | | <u>274,471,145</u> | <u>288,557,336</u> |

5.1 Effective mark-up rate in respect of PLS accounts ranges from 5% to 10.75 % (June 2010: 5.5% to 11.5%) per annum.

5.2 Effective mark-up rate in respect of term deposit accounts ranges from 12.85% to 14.25% (June 2010: 11.5% to 17%) per annum.

**6 INVESTMENTS****Held for trading at fair value through profit or loss account**

Unless stated otherwise, the holdings are in the fully paid ordinary shares/ certificates/ units of Rs. 10/- each.

| | | |
|---------------------------------|-------------------|-------------------|
| In listed securities (Note 6.1) | 98,231,293 | 73,431,716 |
| | <u>98,231,293</u> | <u>73,431,716</u> |

6.1 In listed companies

| | March 31, 2011 | June 30, 2010 | | March 31, 2011 | June 30, 2010 |
|---|-------------------|------------------|---|-------------------|------------------|
| Number of Certificates / Shares/ Units | | | Name of investee | | |
| Open-end Mutual Funds | | | | | |
| 381,505 | 362,555 | | Unit Trust of Pakistan | 41,877,804 | 37,488,187 |
| 25,000 | 25,000 | | National Investment (Unit) Trust (Face value of certificate Rs.100/- each) | 788,750 | 704,250 |
| Investment Banks / Securities | | | | | |
| 482,099 | 848,749 | | First Capital Securities Corporation Limited | 1,475,223 | 4,014,583 |
| 30,000 | 72,282 | | Jahangir Siddiqui & Co Limited | 256,800 | 913,644 |
| Commercial Banks | | | | | |
| 16,500 | 90,000 | | The Bank of Punjab | 98,835 | 907,200 |
| - | 192,813 | | Silk Bank Limited | - | 522,523 |
| - | 5,000 | | National Bank of Pakistan | - | 320,500 |
| - | 15,000 | | United Bank Limited | - | 813,150 |
| - | 50,625 | | Bank Islami Pakistan Limited | - | 162,506 |
| - | 5,000 | | Habib Bank Limited | - | 486,250 |
| Insurance | | | | | |
| - | 2,400 | | Adamjee Insurance Company Limited | - | 191,712 |
| Textile | | | | | |
| 105,000 | 40,000 | | Azgard Nine Limited | 906,150 | 446,400 |
| 122,500 | 8,125 | | Nishat Mills Limited | 7,961,275 | 350,350 |
| 1,721 | 27,721 | | Hussein Industries Limited | 12,735 | 203,472 |
| - | 1,256 | | Reliance Cotton Spinning Mills Limited | - | 24,881 |
| - | 47,248 | | Gul Ahmed Textile Mills Limited | - | 875,506 |
| Cement | | | | | |
| 20,000 | 51,780 | | D.G. Khan Cement Company Limited | 514,600 | 1,223,044 |
| 25,000 | - | | Lefargee Pakistan Cement | 77,750 | - |
| 45,000 | 20,000 | | Lucky Cement Limited | 3,036,600 | 1,242,800 |
| Refinery | | | | | |
| 13,000 | - | | National Refinery Limited | 4,048,460 | - |
| 4,000 | 8,229 | | Pakistan Refinery Limited | 374,240 | 646,553 |
| 44,000 | 32,387 | | Attock Refinery Limited | 5,443,680 | 2,609,097 |



| March 31, 2011 | June 30, 2010 | | March 31, 2011 | June 30, 2010 |
|---|------------------|---|-------------------|-------------------|
| Number of Certificates / Shares/ Units | | Name of investee | | |
| Power Generation & Distribution | | | | |
| 104,347 | 71,847 | Kot addu Power Company Limited | 4,297,009 | 2,998,894 |
| 27,500 | 10,000 | Hub Power Company Limited | 1,035,100 | 319,600 |
| Oil & Gas Marketing Companies | | | | |
| 13,000 | 1,000 | Pakistan State Oil Limited | 3,607,630 | 260,200 |
| Oil & Gas Exploration Companies | | | | |
| - | 7,000 | Mari Gas Company Limited | - | 905,660 |
| 39,100 | 23,554 | Pakistan Petroleum Limited | 8,266,131 | 4,336,762 |
| 15,000 | 10,000 | Byco Petroleum Pakistan Limited | 139,650 | 99,800 |
| 5,500 | 12,000 | Pakistan Oil Fields Limited | 1,787,995 | 2,590,800 |
| Cable & Electrical Goods Limited | | | | |
| - | 6,048 | Johnson & Philips (Pakistan) Limited | - | 51,892 |
| Technology & Communication | | | | |
| - | 20,000 | Pakistan Telecommunication Company Limited. | - | 356,000 |
| Fertilizer | | | | |
| 159,421 | 76,500 | Fauji Fertilizer Bin Qasim Limited | 6,603,218 | 1,992,060 |
| 6,600 | 11,000 | Engro Chemicals Limited | 1,358,148 | 1,909,380 |
| 6,500 | - | Fauji Fertilizer Company Limited | 896,220 | - |
| Chemicals | | | | |
| - | 20,500 | Engro Polymers Chemicals Limited | - | 205,820 |
| 50,000 | - | Lotte Pakistan PTA Limited | 807,000 | - |
| 15,500 | 27,000 | ICI Pakistan Limited | 2,560,290 | 3,201,120 |
| Foods & Personal Care Products | | | | |
| - | 51,000 | Shakarganj Foods Products Limited | - | 57,120 |
| Suspended / Delisted Company | | | | |
| 1,670,720 | 1,670,720 | Prudential Stock Fund | - | - |
| 434,208 | 434,208 | Pakistan Industrial and Commercial Leasing Limited | - | - |
| 360,000 | 360,000 | Zeal-Pak Cement Factory Limited | - | - |
| 130,500 | 130,500 | Prudential Investment Bank Limited | - | - |
| | | | <u>98,231,293</u> | <u>73,431,716</u> |



| | Note | UNAUDITED March 31 2011 Rupees | AUDITED June 30 2010 Rupees |
|---|-------|---|--------------------------------------|
| 7. MUSHARIKA, MURABAHA AND OTHER FINANCE | | | |
| Musharika and morabaha finance | 7.1 | 18,937,318 | 23,970,244 |
| Other finance-secured | | 13,072,769 | 18,170,477 |
| | | 32,010,087 | 42,140,721 |
| Less: Long term portion | | | |
| Morabaha finance | | (1,140,838) | (3,712,119) |
| Other finance | | (4,348,448) | (7,818,514) |
| | | (5,489,286) | (11,530,633) |
| | | <u>26,520,801</u> | <u>30,610,088</u> |
| 7.1 Musharika and morabaha finance | | | |
| Considered good | | | |
| Musharika finance-unsecured | | 56,369,186 | (125,762) |
| Morabaha finance-secured | | 311,597,070 | 13,939,633 |
| | | 367,966,256 | 13,813,871 |
| Less: Deferred Morabaha income | | (504,454) | - |
| Less: Provision for doubtful receivables | 7.1.2 | <u>348,524,484</u> | <u>25,079,270</u> |
| | | 18,937,318 | 38,893,141 |
| 7.1.1 The return on these morabaha ranges from 14% to 21% (2010: 14% to 21%) per annum. The above finances are secured against equitable mortgage of immovable properties and charge of machineries, other assets and personal guarantee of sponsor directors. | | | |
| 7.1.2 Movement of provision | | | |
| Opening Balance | | 348,586,956 | 370,824,302 |
| Charge for the Year | | - | - |
| Reversals during the Year | | (62,472) | (22,463,261) |
| Closing Balance | | <u>348,524,484</u> | <u>348,361,041</u> |
| 8. IJARAH RENTALS RECEIVABLE | | | |
| Considered good | | 2,456,652 | 2,762,272 |
| Considered doubtful | | 33,953,119 | 32,961,066 |
| | | 36,409,771 | 35,723,338 |
| Less: Provision for doubtful receivables | 8.1 | <u>(33,953,119)</u> | <u>(32,961,066)</u> |
| | | 2,456,652 | 2,762,272 |
| 8.1 Movement in provision for doubtful receivables | | | |
| Opening balance | | 32,961,066 | 16,403,858 |
| Written off | | - | (3,169,617) |
| Reversal during the period | | (1,013,771) | - |
| Charge for the period | | 2,005,824 | 19,726,825 |
| Closing balance | | <u>33,953,119</u> | <u>32,961,066</u> |



9. DATE OF AUTHORISATION OF ISSUE

These condensed interim financial information has been authorized for issue on April 23, 2011 by the Board of Directors of the Prudential Capital Management Limited.

10. FIGURES

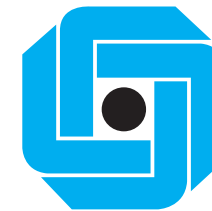
Figures have been rounded off to the nearest Rupee.

The annexed notes form an integral part of these condensed interim financial information.

Statement under rule 12 (2) of the Modaraba Companies Rules, 1981:

These condensed interim financial information has been signed by three directors instead of chief executive officer and two directors. The management company has not so far appointed a chief executive officer.

**Quarterly Accounts
March 31, 2011
(Un-Audited)**



First Prudential Modaraba

If undelivered please return to :
First Prudential Modaraba
Mehersons Estate, First Floor
Talpur Road, P.O Box No.621, Karachi.74000

Managed by :
Prudential Capital Management Ltd