



First Prudential Modaraba

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

THE SUBSCRIPTION LIST FOR 5,000,000 ORDINARY SHARES BEING OFFERED WILL OPEN INSHA-ALLAH AT THE COMMENCEMENT OF BANKING HOURS ON MONDAY DECEMBER 4, 1989 AND WILL CLOSE ON THE SAME DAY AT THE CLOSE OF BANKING HOURS.

PROSPECTUS

of

FIRST PRUDENTIAL MODARABA

Managed by:

PRUDENTIAL CAPITAL MANAGEMENT (PRIVATE) LIMITED

B-C/5, Block 7, Kehkashan, Main Clifton Road, Karachi



First Prudential Modaraba

PROSPECTUS
OF
FIRST PRUDENTIAL MODARABA

Managed by
PRUDENTIAL CAPITAL MANAGEMENT (PRIVATE) LIMITED

Incorporated in Pakistan under the Companies Ordinance, 1984
and registered under the
Modaraba Companies & Modaraba (Floatation & Control)
Ordinance 1980

ISSUE HAS BEEN UNDERWRITTEN BY PAKISTAN INDUSTRIAL AND COMMERCIAL LEASING LIMITED AND GOLDEN ARROW INVESTMENT AND RESEARCH (PRIVATE) LIMITED.

Authorisation has been granted under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance 1980 for the floatation of the First Prudential Modaraba (the Modaraba). The Religious Board constituted under the provision of Section 9 of the Modaraba Companies and Modaraba (Floatation Control) Ordinance 1980 has certified that the business proposed to be undertaken by the Modaraba is not opposed to the injunctions of Islam.

Consent of the Federal Government has been obtained to the issue of capital under the Capital Issues (Continuance of Control) Act, 1947 by an order of which a complete copy is open to public inspection at the Registered Office of Prudential Capital Management (Pvt) Ltd, (the Modaraba Company). It must be distinctly understood that in giving this consent the Federal Government does not take any responsibility for the financial soundness of any scheme, for the correctness of any of the statements made or opinions expressed with regard to them. This also applies to the authorisation granted by the Registrar Modaraba under Section 11 of the Modaraba Companies and Modarabas (Floatation & Control) Ordinance, 1980.

A copy of this prospectus has been duly filed with the Registrar, Modaraba Companies and Modarabas, Islamabad, as required by Rule 20(2) of the Modaraba Rules 1981.

Applications have been made to the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited for permission to deal in and for quotation of the Certificate of the Modaraba. In accordance with the prescribed "Regulations for Trading in Provisionally listed Companies" of the Karachi Stock Exchange, the Modaraba shall stand listed provisionally for trading and for quotation of its certificate on that Exchange from the date of publication of this Prospectus. If for any reason, the applications for Official Listing are not accepted by the Karachi Stock Exchange (Guarantee) Limited and/or the Lahore Stock Exchange (Guarantee) Limited, the Modaraba Company undertakes to publish immediately in the press a notice to that effect and to forthwith repay the subscription money to the applicants without any surcharge in pursuance of the Prospectus.

Further, the Modaraba Company shall take a decision within 10 days of the closure of subscription list as to what applications have been accepted or are successful and refund the money in case of the unaccepted or unsuccessful applications within 10 days of the date of the such decision.

THE SUBSCRIPTION LIST FOR RESIDENT AS WELL AS NON-RESIDENT WILL "INSHA-ALLAH" OPEN AT THE COMMENCEMENT OF BANKING HOURS ON MONDAY DECEMBER 4, 1989 AND WILL CLOSE ON THE SAME DAY AT THE CLOSE OF BANKING HOURS.

Applications must be for a minimum of 500 (five hundred) Certificates or multiples thereof.



PART – I

FUND CAPITAL

	RUPEES	RUPEES
AUTHORISED CAPITAL: 10,000,000 Certificates of Rs. 10/- each	₹	<u>100,000,000</u>
SUBSCRIBED & PAID UP CAPITAL: 1,000,000 Certificates of Rs. 10/- each fully paid in cash by Prudential Capital Management (Pvt) Limited	10,000,000	
4,000,000 Certificate of Rs. 10/- each fully paid in cash by friends, relatives, associates and associated undertakings of the Directors of Prudential Capital Management (Pvt) Ltd.	<u>40,000,000</u>	50,000,000
PRESENT ISSUE Now offered at par for subscription in cash in full, on application:		
(i) NATIONAL INVESTMENT TRUST LIMITED 1,000,000 Certificates of Rs. 10/- each	10,000,000	
(ii) GENERAL PUBLIC		
(a) Non-Resident Pakistanis 2,000,000 Certificates of Rs.10/- each	20,000,000	
(b) Resident Pakistanis 2,000,000 Certificates of Rs. 10/- each	<u>20,000,000</u>	<u>50,000,000</u>
Paid up Capital of the Modaraba after present issue		<u>100,000,000</u>

BASIS OF ALLOTMENT

The basis of allotment of the Modaraba Certificates to be offered to resident and non-resident Pakistani shall be as follows:

- If the modaraba certificates to be issued to the resident Pakistanis are sufficient for the purpose, all applications shall be accommodated initially for a minimum allotment of certificates of the face value of Rs. 5,000/-. If the certificate applied for by such applications is in excess of the certificates offered to them, the distribution shall be made by balloting in the presence of a representative of the Stock Exchanges where the Modaraba is to be quoted.
- Any certificates left un-subscribed after allotment as aforesaid shall be allotted on a pro-rata basis to applicants who apply for certificates exceeding the face value of Rs. 5,000/-.
- If the Modaraba Certificates to be issued to non-resident Pakistanis are sufficient for the purpose, all applications from the non-resident Pakistanis shall be accommodated initially for a minimum allotment of Rs. 5000/-. If the certificate applied for by such applicants are in excess of the nominal value of the Certificates offered to them, the distribution shall be made by balloting in the presence of a representative of the stock exchange where the Certificates are to be quoted.



- (d) Certificates left un-subscribed after allotment being made in the manner given under (c) shall be allotted on pro-rata basis to the non-resident Pakistanis who applied for Certificates exceeding the face value of Rs. 5000/-.
- (e) Any Certificates left un-subscribed by non-resident Pakistanis, after allotment in the manner given under (c) and (d) together with quota reserved for the residents minus the amount of Certificates subscribed by the National Investment Trust Limited shall be allotted to the resident Pakistanis on the same basis as given under (c) and (d) above and vice versa for non-resident Pakistanis.
- (f) Computer Balloting will be restricted to only such applications which are complete in all respects. Failure to adhere to the above requirements may also result in post ballot rejection of the application.

FACILITIES AVAILABLE TO NON-RESIDENT PAKISTANIS:

- (a) There will be no deduction of Income Tax at source on dividend income of individuals.
- (b) No Zakat will be deducted on Certificates acquired against payment in foreign currency and the return on which and the value on encashment, redemption or withdrawal of which is payable in foreign currency.
- (c) Disinvestment and repatriation of principal alongwith the capital gains will be allowed provided the Certificates are held for not less than one year.
- (d) Allottees shall have the option either to receive the dividend income in Pakistani currency or in US Dollars to be specified by them in the application form.
- (e) Disinvestment proceeds and dividend will accrue in Pakistani Rupee and its repatriation will be allowed in accordance with the exchange rate prevailing on the date of remittance. This facility will be available so long as the stay of the investor in Pakistan does not exceed six months.
- (f) It will be permissible for non-resident Certificate-holders to transfer their Certificates to other Pakistani nationals ordinarily resident outside Pakistan.

PREFERENTIAL RIGHTS TO SUBSCRIBE

It is a condition of the Consent Order of the Controller Issues that preferential rights be granted to National Investment Trust Limited to subscribe 1,000,000 certificates against full payment in cash of Rs.10/- per certificate. This right may be exercised during the period the subscription list is open for purposes of the present public offer of modaraba certificates. No consideration has been given or promised to the Modaraba Company for the grant of these preferential rights.



PART – II

UNDERWRITING COMMISSION, BROKERAGE AND TAX EXEMPTION AND PRELIMINARY EXPENSES:

UNDERWRITING

The public offering of 5,000,000 Modaraba Certificate of Rs. 10/- each has been underwritten as follow!

- a) 2,500,000 Certificates of Rs. 10/- each of the face value of Rs. 25,000,000/- by Pakistan Industrial & Commercial Leasing Limited, 2nd Floor, Sasi Arcade, BC-5, Block 7, Kehkashan, Main Clifton Road, Karachi.
- b) 2,500,000 Certificates of Rs. 10/- each of the face value of Rs. 25,000,000/- by Golden Arrow Investment and Research (Pvt) Limited 411-Uni Centre, I.I. Chundrigar Road, Karachi.

If and to the extent certificates hereby offered to the public shall not have been subscribed and paid for in cash in full, the underwriters shall, within 15 days of being duly called upon by the Modaraba Company to do so, subscribe and pay for or procure subscribers to subscribe and pay in cash in full those certificates not so subscribed.

In the opinion of the Directors, the resources of the underwriters are sufficient to discharge their underwriting obligations. The Company has also obtained Confirmation of the resourcesfullness of underwriters to meet their underwriting obligation from the Bankers of the underwriters.

UNDERWRITING COMMISSION

The underwriters will be paid an underwriting commission of 1% on the total amount underwritten by them. No commission shall be paid to the underwriters on the amount of actually taken up by underwriters. No commission is payable in respect of certificates taken up by the National Investment Trust Limited through the exercise of its option for 20% of the local issue.

COMMISSION TO THE BANKERS TO THE ISSUE

A commission not exceeding 0.50% of the amount collected on allotments will be paid to the bankers for services to be rendered by them in connection with this issue. No commission shall be paid to the bankers in respect of certificates taken up by the underwriters by virtue of their underwriting commitments, or in respect of the certificates taken up by the National Investment Trust Limited through the exercise of its option for 20% of the present issue offered to them.

BROKERAGE

Brokerage will be paid to the members of the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited at the rate of 1% of the paid up value of Modaraba Certificates actually sold through them. No brokerage shall be payable in respect of certificates taken up by the underwriters by virtue of their underwriting commitment or by the National Investment Trust Limited through the exercise of its option for 20% of the present issue offered to them.



TAX EXEMPTIONS

The Tax Exemptions would be a under:

- i) Investment in First Prudential Modaraba Certificates will qualify for tax exemption under Section 41(1)(g) of the Income Tax Ordinance, 1979, to the extent provided in that section.
- ii) Under the Ordinance, the Modaraba Certificates are required to be issued within 30 days from the date of allotment. The tax exemption referred to above will be available to the first holders of the Modaraba Certificates and not to those who acquire or purchase the same from a previous holder.
- iii) The Income of the Modaraba shall be exempt from tax under the Income Tax Ordinance 1979, as 90% of its profit shall be distributed to the holders of Modaraba Certificates.

PRELIMINARY EXPENSES & EXPENSES OF THE ISSUE

The formation costs of the Modaraba are not expected to exceed Rs. 200,000.00

The estimated expenses of the issue payable by the Modaraba are:

i) Commission to Banker to the issue	Rs.	200,000
ii) Brokerage to members of the Stock Exchange	Rs.	400,000
iii) Other organisation and floatation expenses inclusive of cost of printing, publishing and distribution of the Prospectus etc.	Rs.	2,500,000
iv) Underwriting Commission	Rs.	400,000
		<hr/>
	Rs.	3,500,000
		<hr/>

The above expenses aggregating Rs. 3.5 million is equal to 3.5% of the total issue. These expenses are payable by the Modaraba and shall be written off over five years.

MINIMUM SUBSCRIPTION

In the opinion of the Directors of Prudential Capital Management (Pvt) Ltd., the amount which must be raised as minimum subscription in order to provide for the business operations and expenses is the whole amount of the present issue of Rs. 100 Million of which Rs. 50 million have already been subscribed by the Modaraba Company, their friends, relatives, associates and associated undertakings.

FINANCIAL YEAR

Financial year of the FIRST PRUDENTIAL MODARABA will be 1st January to 31st December.



PART – III

THE MODARABA COMPANY

OBJECTS, AND DESCRIPTION OF BUSINESS:

The Modaraba Companies and Modaraba (Floatation and Control) Ordinance was promulgated in the year 1980 as part of a drive by the Government towards Islamisation of the economic system. The Primary aim of the Government was the economic development in the country in accordance with the injunctions of Islam and to bring about the elimination of "RIBA" In accordance with the Government policies, the proposed Modaraba "FIRST PRUDENTIAL MODARABA" has been floated under the management of Prudential Capital Management (Pvt) Limited.

Prudential Capital Management (Pvt) Ltd. is a private limited company incorporated in Sindh Province in August 1988 under the Companies Ordinance 1984. It was registered as a Modaraba Company with the Registrar Modaraba Companies and Modarabas Islamabad on 26-08-1989.

The authorised Capital of the Modaraba Company is Rs. 20,000,000/- divided into 2,000,000 ordinary shares of Rs.10/- each with the Paid-up capital being Rs. 10,000,000/-.

The objects of the Modaraba Company are inter alia, to initiate, sponsor, promote, float, organise, manage, administer and operate series of Modarabas and Modaraba Funds, Mutual Funds, Unit Trust, and other similar concerns in accordance with the injunctions of Islam and without involving the element of "RIBA" in any form whatsoever.

It is envisaged that the Company would float a series of Modarabas for undertaking various business ventures which are in conformity with the injunctions of Islam.

In accordance with Section 17 of the Modaraba Ordinance, the Modaraba Company will not compete with the business to be carried on by the Modarabas floated by it.



PART – IV

FIRST PRUDENTIAL MODARABA

OBJECTS, BUSINESS AND PROSPECTS:

TYPE OF MODARABA

First Prudential Modaraba is a perpetual, multi-purpose and multi-dimensional modaraba.

OBJECTS OF THE MODARABA

The Modaraba is floated with a view to:

- a) Providing an opportunity to Pakistanis to participate gainfully in the economic development of the country in accordance with the Government's declared policy of Islamising the country's economy particularly eliminating "RIBA" and the promotion of the Private Sector,
- b) earn maximum possible income for distribution to the Certificate holders so that attractive, sound and lawful avenues of investment are provided to them in accordance with the "SHARIA",
- c) produce appreciation of capital through increase in the value of Certificates,
- d) generate long term growth, and
- e) institutionalise the Modaraba concept with new dimensions.

DESCRIPTION AND PROSPECTS OF BUSINESS OF THE MODARABA

The business of the Modaraba will broadly be covered under the following description:

(1) MUSHARAKA FACILITIES

Musharaka and Morabaha facilities would be provided for working capital needs to sound and viable public and private limited companies and concerns which are enjoying or may enjoy similar facilities from the banking and financial sector on profit and loss sharing basis and on case to case basis.

(2) COMMERCIAL FUNDING

The Modaraba would resort to commercial funding on short term and self-liquidating basis according to approved Islamic principles.

(3) UNDERWRITING OF SHARES

The Modaraba would undertake underwriting of shares of sound joint stock companies and non-interest bearing securities quoted on the stock exchanges whereby the Modaraba would subscribe and pay for in cash in full for the shares and non-interest bearing securities underwritten by the Modaraba if the situation so requires.



(4) INVESTMENT OF MODARABA FUNDS IN OTHER CHANNELS

Keeping the objects of the Modaraba in view and subject to profitability, research and assessment of individual proposals, investment may be made from time to time in such new and existing commercial and industrial ventures as are considered on the basis of good dividend return and capital gains. It would be ensured that any transactions covered by these operations are not against the tenets of Islam.

Other channels of investment of Modaraba Funds are identified as under:

i) First Prudential Modaraba would be guided in its operations by the consideration of paying higher return through dividends etc. to the shareholders and also making periodical additions to its capital structure as an incentive to the investors. The Modaraba would therefore, look into every possible source of generating its income at as high a rate as possible, without risking its funds. Building up of a sound investment portfolio acts as security for the funds and guarantees reasonable regular return to the shareholders. The investments may be in shares of sound joint stock companies including those of the promoters group provided that the investment shall not be made in any venture, business or joint stock company engaged in any business not permitted by Sharia and no investment shall be made where from includes an element of interest. Similarly, investments of its surplus funds could also be channeled into other sources of investment not involving any element of interest.

ii) Modaraba funds would also be utilized to cover the operation of acquisition of shares in new and existing units of manufacturing of different goods and commodities which are not contradictory or prohibited under the injunctions of Islam and then managing the same for good dividend return and capital gains.

We have not identified any company in which investments will be made since this is enabling provision. However, we submit that before any such acquisition is made a detailed appraisal will be carried out and the approval of the Board of Directors of Prudential Capital Management (Private) Limited obtained. However it is declared that no investment of interest.

iii) Non-interest bearing securities including government Securities, Certificates and Bonds of Government and Corporations which do not have an element of interest attached to them.

iv) Short term deposits including call deposits on profit and loss sharing basis with sound national and international banks.

v) **Building, Construction, and Real Estate:** To acquire by purchase, lease or otherwise land, building and property or any interest, in the same and to build, erect, improve and construct houses, buildings of every description, and to sell, lease, let to otherwise dispose -off the same for cash or on deferred payment basis.

The grant of permission to the Modaraba would however be subject to Rules / Regulations, which may be in force from time to time for carrying out the Real Estate Business by the Modaraba.

Business and investment decisions shall be judiciously based on thorough analysis and studies and scope of future prospects in the light of cash flow, market operations, business projections and environment considerations as well as the management of enterprise.

(5) LEASING

AT PRESENT MODARABA SHALL NOT UNDERTAKE THE LEASING BUSINESS. HOWEVER, FOLLOWING BUSINESS OF LEASING WILL BE UNDERTAKEN WITH THE SPECIFIC APPROVAL OF THE CONTROLLER OF CAPITAL ISSUES.

The Modaraba would engage in the business of all types of leasing whereby the funds of the Modaraba generated through public and other lawful sources shall be used to purchase new and old assets for giving out on lease to credit –worthy customers. Whilst the ownership leased assets shall remain vested in the Modaraba, lessees shall have full use and possession of lease assets in terms of the lease agreement between Modaraba and the lessee. No restriction is proposed to be imposed on the type of assets, which the Modaraba may lease out as part of its leasing business but that the type of asset and/or use of asset through lease should not be repugnant to the injunctions of Islam. The Modaraba would provide leasing finance for



plant and machinery, equipment, computers, electronic equipment, motor cars, commercial vehicles, and such other items as may be permitted by law from time to time.

The lease rent charged to the Lessee will be computed so as to cover the costs of the Lessor both for the acquisition of the asset as well as its operating expenses, and also to provide an element of profit for the Modaraba in the overall transaction. The rental payable would be for the bonafide usage of assets by the lessee.

The Modaraba will undertake securitisation of the lease portfolios of the leasing companies. In addition, it may also supplement the leasing industry by way of participation in the syndication of lease and undertaking small ticket and specialised vendor and venture leasing.

The Modaraba would promote, sponsor, develop, finance, manage, operate or lease or assist in all such operations or leasing of any commercial, business or industrial undertaking including manufacturing, transport, mining or exploration. The basis of all such transactions will either be leasing, hirepurchase or profit and loss sharing; the same will not thus be against the tenets of Islam.

All the above operations shall be carried out strictly in accordance with the "Sharia", it would be pertinent to mention that the business of leasing is in accordance with the injunctions of Islam.

(6) OTHER OPERATIONS SUCH AS TRADING, MANUFACTURING IMPORTS/EXPORT & SUCH OTHER FIELDS.

- i) The Modaraba would engage in mercantile, manufacturing or trading business of any kind or character whatsoever within and outside Pakistan i.e. in any part of the world and to do all things necessary and consequential or incidental to such business including imports, exports and which is permissible under the "Sharia".
- ii) The Modaraba would attempt at establishing and conducting agencies to act as commission agents, distributors/manufacturer's representatives and other services and to open branches in any part of the world for the purpose of the Modaraba. It may also participate in the management, supervision or control of business or operations of any company or companies or both within and outside Pakistan. This would not, however, include or amount to the business of managing agents.
- iii) By extending its operation beyond the borders of the country, the Modaraba would resort to obtaining and borrowing funds not only in local currency but also in any foreign currency, from any person or institution and organisation subject to the approval of the competent authorities wherever necessary and subject to the condition that the transactions are lawful and are not against the "Sharia".
- iv) Any other type of financial consultancy services which may be profitably performed as long as it is not repugnant to Islam.

THE FUTURE MARKET CONDITIONS AND OPPORTUNITIES CANNOT BE PREDICTED WITH ANY DEGREE OF CERTAINTY, THEREFORE, THE DESCRIPTION OF THE BUSINESS TO BE UNDERTAKEN HAS TO FALL UNDER VARIOUS CATEGORIES, THIS WILL ENABLE THE COMPANY TO TAKE ADVANTAGE OF "MARKET" SITUATION OBTAINING AT THAT PARTICULAR POINT OF TIME WITH A VIEW TO MAXIMISING THE RETURN TO THE CERTIFICATE HOLDERS.



The types of business described above will constitute the business of the Modaraba. By having these diversified avenues of business, the modaraba will be able to optimise its earning potential, depending on which of the above areas from time to time provide the more profitable and secure business. In this way the Modaraba will serve the best interests of its certificate holders.

GEARING

It is envisaged that sufficient sources of funds will be available to the modaraba and that a substantial gearing ratio will be achieved. The following possible sources of securing funds without involving the element of interest are identified.

- a) supplier's/buyer's credit obtained directly or routed via the Modaraba Company. The Modaraba will receive such credit on profit-loss-sharing basis or other modes of Islamic finance such as leasing.
- b) foreign currency term loans, taking advantage of favourable cost of finance, obtaining directly or routed via the modaraba company on profit-loss-sharing or Islamic modes of finance.
- c) arrangements would be made to obtain Musharaka and Morabaha facilities of substantial amounts to help finance the modaraba's working capital requirements and in this connection the Modaraba will enter into Musharaka and Morabaha agreements after obtaining the approval of the competent authorities such as the Religious Board and the Registrar of Modaraba wherever so required under the law.
- d) by any other mode of raising finances permissible under Islamic injunctions and in accordance with the provisions of the Modaraba Companies and Modaraba (Floatation & Control) Ordinance 1980 for the business of Modaraba declared in the prospectus, with the approval of religious Board or Registrar of Modaraba wherever considered necessary.
- e) obtaining funds from national and international banking institutions on profit and loss sharing basis or leasing finance. The approval of the competent authorities such as the State Bank of Pakistan will be obtained wherever required.
- f) all such funding terms and investment raised through various Islamic instruments would be acquired under recognised Islamic mode of finance as admissible now and from time to time, in future.

PROSPECTS

It is the declared policy of the Government to give priority and encouragement to the private sector in the promotion and development of the economy. The Government has been taking necessary steps and measures from time to time to achieve the foregoing objective. The Government is also undertaking de-regulation of the economy in addition to privatization programme. It has recently been decided by the Government to allow private sector to promote investment finance companies. The economy has been increasing during the recent year and exports have been increasing steadily. The stock markets have exhibited a substantial growth during the period of Sixth Five Year Plan. Keeping in view the response of the private sector in meeting investment targets provision for investment targets in the private sector in the Seventh Five Year Plan have been made at much higher level than in the Sixth Plan. The economic growth achieved in the recent years and the Government economic reforms and measures as earlier mentioned have created a wide scope for business opportunities and prospects for the proposed Modaraba.



RETURN TO CERTIFICATE HOLDERS

As stated earlier, the income of the Modaraba shall be exempted from tax under the Income Tax Ordinance, 1979 (XXXI of 1979) as not less than 90% of its profits in every year shall be distributed to the holders of Modaraba Certificates in the form of cash and/or Bonus Shares subject to the condition laid down in Capital Issues (Exemption) Order dated 13th March, 1967.

VIABILITY

Experience and expertise of the promoters of Prudential Capital Management (Private) Limited over a period of more than two decades in the field of banking, industry, commerce and trade will be at the back of all the activities and operations of the Modaraba. The promoter's multifarious activities cover a wide range of items of trade and commerce. They have a long list of industrial and commercial undertakings which include public and private companies. The Promoters of First Prudential Capital Management (Private) Limited are, therefore, confident that the First Prudential Modaraba being floated by them will meet with great success.

A detailed feasibility report on the viability of "FIRST PRUDENTIAL MODARABA" is available for public inspection in the office of Prudential Capital Management (Pvt) Limited Sasi Arcade, BC-5, Block 7, Kehkashan, Main Clifton Road, Karachi, a copy of which has already been filed with the Registrar Modarabas, Islamabad.

COMMENCEMENT OF BUSINESS OF THE MODARABA

Full-fledged business of the Modaraba will be started INSHA ALLAH after the present issue and completion of necessary formalities.

PART – V

AUDITORS' CERTIFICATE UNDER THE MODARABA COMPANIES AND MODARABA RULES 1981.

We certify that FIRST PRUDENTIAL MODARABA

- a) has received subscription from:
- | | | | |
|-----|--|-----|------------|
| i) | Prudential Capital Management (Pvt) Ltd. | Rs. | 10,000,000 |
| ii) | Friends, relatives, associates and associated undertakings of the directors of Prudential Capital Management (Pvt) Limited | Rs. | 40,000,000 |
- b) has not done any business or acquired any property so far.

Karachi
Dated: October 28, 1989

Sd/—
Ford, Rhodes, Robson, Morrow & Co.
Chartered Accountants



PART – VI

BOARD OF DIRECTORS OF PRUDENTIAL CAPITAL MANAGEMENT (PRIVATE) LIMITED AND ORGANISATIONAL SET UP

BOARD OF DIRECTORS

S.No. Names, Address and Occupation		Directorship in Other Companies
1. Mr. Hussain Lawai C/205/1, KDA Scheme No.1 – A Karachi.	Chairman	<u>Chairman</u> 1. Pakistan Industrial & Commercial Leasing Limited. 2. Prime Insurance Co. Limited. <u>Director</u> 3. Golden Arrow Investment & Research (Pvt) Limited.
2. Mrs. Sanobar Akhtar Yacoob 10-B, Zamzama Boulevard Clifton, Karachi.	Director	<u>Chief Executive</u> 1. Pakistan Industrial & Commercial Leasing Limited. 2. Prime Insurance Co. Limited. 3. Mehran Dairy Farms (Pvt) Ltd. 4. Mehran Cattle & Sheep Farms (Pvt) Limited. 5. Al-Razzaq (Pvt) Limited. 6. Mehran Builders (Pvt) Limited.
3. Dr. Samiullah M. Koreshi 42, Nazimabad Road F/7/4, Islamabad.	Director	None
4. Mr. Arif Lakhani 131 – B, S.M.C.H.S., Karachi.	Executive	None

COMPANY SECRETARY

Mr. Jalal Ahmed Khan
4 - B, First East Street,
Phase II, Defence Housing
Authority, Karachi.

The management of "FIRST PRUDENTIAL MODARABA" shall vest in PRUDENTIAL CAPITAL MANAGEMENT (PVT) LIMITED for which it would receive a remuneration in accordance with Modaraba Laws. The general direction and superintendence of the affairs of the Modaraba Company are vested in the Board of Directors which shall be responsible for overall control and supervision of the Modaraba. It will formulate policies for implementation by the Executive set-up. The Board will also take major decisions with regard to important matters & business operations of the Modaraba, whenever considered necessary.

While the Directors of the Modaraba Company shall be responsible for overall control and supervision of the Modaraba, the day to day operations will be under the charge of a Modaraba Management Committee comprising of the Chief Executive and two other persons appointed/nominated by the board of Directors.

The Chief Executive will also be provided whenever required with other experienced and qualified officers/staff to run the affairs of the Modaraba smoothly, efficiently and on sound lines.



PART – VII

MISCELLANEOUS

NAME OF MODARABA	: FIRST PRUDENTIAL MODARABA
PRINCIPAL PLACE OF BUSINESS	: 2nd Floor, SASI Arcade, BC-5, Block-7, Kehkashan, Main Clifton Road, Karachi.
MODARABA COMPANY & REGISTERED OFFICE	: 2nd Floor, SASI Arcade, Kehkashan, Clifton Road, Karachi.
AUDITORS TO THE MODARABA	: Ford Rhodes Robson Morrow & Company Chartered Accountants 1st Floor, Finlay House, I.I. Chundrigar Road, Karachi.
AUDITORS TO THE MODARABA COMPANY	: Taseer Hadi Khalid & Co. Chartered Accountant, 1-C, State Life Building, I.I. Chundrigar Road, Karachi.
LEGAL ADVISER	: Abraham & Sarwana & Co. 410-Press Centre, Shahrah-e-Kamal Attaturk, Karachi.
ADVISER TO THE ISSUE	: Merchant Banking Division, Banque Indosuez, Muhammadi House, I.I. Chundrigar Road, Karachi.
BANKERS TO THE MODARABA COMPANY	: <ul style="list-style-type: none">– Banque Indosuez– Faysal Islamic Bank of Bahrain EC– Habib Bank AG Zurich
BANKERS TO THE ISSUE (LOCAL)	: <ul style="list-style-type: none">Habib Bank LimitedMuslim Commercial Bank Ltd.Allied Bank of Pakistan Ltd.United Bank LimitedNational Bank of PakistanFaysal Islamic Bank of Bahrain E.C.Banque IndosuezHabib Bank AG ZurichAmerican Express Bank Ltd.Algemene Bank Nederland N.V.Duetsche Bank Ltd.Bank of Oman LimitedBank of AmericaStandard Chartered BankRupali Bank LimitedBank of Credit & Commerce International
BANKERS TO THE ISSUE (FOREIGN)	: <ul style="list-style-type: none">Habib Bank LimitedUnited Bank LimitedHabib Bank AG ZurichBank of Credit & Commerce (Emirates).



PART – VIII

ADMINISTRATION

MANAGEMENT OF FIRST PRUDENTIAL MODARABA

- (1) There shall be maintained by the Modaraba Company a Register of Modaraba Certificate holders and only certificate holders registered in the said register shall be deemed to be owners thereof.
- (2) The Modaraba Company shall keep separate books of accounts relating to its own income and expenditure and to income and expenditure of and connected with the Modaraba or other Modarabas. The said books of accounts shall be open to inspection by the Directors and Auditors of the Modaraba Companies and the Auditors of the Modaraba.
- (3) The Modaraba Company shall, within two months of the first half of the financial year, prepare and submit the financial position of the Modaraba whether audited or otherwise, besides any other statements or information that the Board of Modaraba Company may like to include, to the Registrar of Modarabas and to all registered Certificate holders.
- (4) Within six months of the close of the accounting year of the Modaraba, the Modaraba Company shall prepare and circulate to the holders of Modaraba certificates:—
 - (i) the annual balance sheet and profit and loss account;
 - (ii) a report of the Auditors on the balance sheet and profit and loss account;
 - (iii) a report by the Modaraba Company on the activities and business prospects of the Modaraba and the profits for distribution to the Certificate holders; and
 - (iv) any other statement or information that the Board of the Modaraba Company may like to include.
- (5) Messrs Taseer Hadi Khalid & Co., Chartered Accountants are the Auditors of the Modaraba Company for the first accounting year.

The Registrar, Modaraba Companies and Modarabas, Islamabad has approved the appointment of M/s. Ford, Rhodes, Robson, Morrow & Co., Chartered Accountants, as the Auditors of the First Prudential Modaraba for the first accounting year. Their fee will be on hourly basis and restricted to a maximum of Rs. 20,000/- per annum Modaraba auditors will be appointed and approved on an annual basis as required under Modaraba Ordinance and Rules.

- (6) The accounting record of FIRST PRUDENTIAL MODARABA will be kept on the basis of fiscal year ending on the last day of December in each calendar year.
- (7) The Modaraba Company will provide office space, custodial and management services and charge a management fee at the rate of 10% per annum of the annual profit of the Modaraba.
- (8) The Modaraba Company shall be competent to do all other acts which in its opinion may be necessary to promote the interest of the certificate holders based on investment climate in Pakistan and else where and the condition of the capital market and as may be warranted by commercial consideration.



PART – IX

SAFEGUARDS

- (1) The directors of the Modaraba Company shall exercise strict vigilance over the business of the Modaraba. All decisions will be made on sound business principles and based on the best possible advice.
- (2) Suitably qualified and experienced personnel for the Modaraba will be engaged by the Modaraba Company who will bring with them knowledge and expertise in credit assessment and marketing.
- (3) Business and investment decisions shall be judiciously based on thorough analysis and studies, scope of future prospects in the light of production and expansion programmes, market trends, etc.
- (4) In making financial investments the risks will be minimised through diversification of the portfolio.
- (5) A separate bank account will be maintained by the Modaraba Company in respect of the Modaraba. This will be operated by authorised directors/officers of the Modaraba Company.
- (6) Collection accounts for subscription towards the Modaraba Certificate will be operated upon jointly by two authorised officers/directors of the Modaraba Company.
- (7) Musharaka, Morabaha and commercial funding facilities will be extended to sound industrial & commercial entities and other enterprises which are enjoying or may enjoy similar facilities from the banking and financial sector.
- (8) Business transactions shall be conducted in accordance with the applicable laws and regulations of the country.
- (9) The Modaraba shall not make any loans or advance money to any person, except in connection with the normal business of the Modaraba. Such loans or advances shall not be on the basis of interest.
- (10) The directors, officers, and employees of the Modaraba Company or a person who beneficially owns 10% or more of the equity of such company shall not without the prior written approval of the Registrar, Modaraba Companies and Modarabas, enter into any transaction with the Modaraba. This is in addition to the conditions imposed under Section 17 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.
- (11)
 - (a) The investment of the Modaraba fund in any other company shall not, at any time, exceed an amount equal to 10% of the paid up capital of the Modaraba or an amount sufficient to acquire 45% of any class of shares of that other company. However, it is declared that the Modaraba shall not undertake any business as an investment company.
 - (b) The total exposure of the 'FIRST PRUDENTIAL MODARABA' to a single group shall not exceed 20% of the paid up capital and free reserves of the 'Modaraba'.
 - (c) Maximum exposure of the 'FIRST PRUDENTIAL MODARABA' to its Modaraba Management Company's directors affiliated companies and companies in which any of the directors or his family members hold controlling interest, all taken together, shall not exceed 10% of the overall portfolio of the 'Modaraba'.
- (12) The shares Certificate acquired out of the Modaraba fund will be registered in the name of the Modaraba in the respective books of the companies issuing the shares.



First Prudential Modaraba

- (13) The Modaraba Company shall cause to publish in the bulletin or other such publication of the Stock Exchange on which its shares are listed, the names and values of the Modaraba's portfolio shares as at the end of each half year.
- (14) The Modaraba shall not enter into any business, investment or other transaction which:
- is repugnant to the injunctions of Islam; and
 - involves the element of Riba either directly or indirectly.
- (15) The Modaraba Company shall not
- effect a short sale in any share
 - purchase any share in a forward contract
 - purchase any share on margin
 - enter into speculative transactions.
- (16) The element of interest shall not be involved directly or indirectly in the business of the Modaraba.

THE FORM OF MODARABA CERTIFICATE

FIRST PRUDENTIAL MODARABA			
Managed by			
PRUDENTIAL CAPITAL MANAGEMENT (PRIVATE) LIMITED			
Authorised Fund Capital	Rs. 100,000,000		
DIVIDEND INTO 10,000,000 CERTIFICATE OF Rs. 10/- EACH			
This is to certify that		is/are the registered holder(s) of 100 fully paid Modaraba Certificates of Rs. 10/- each number as below in FIRST PRUDENTIAL MODARABA subject to the terms of the Prospectus and that a sum of Rs.10/- has been fully paid for each Certificate.	
Name :			
Father's/Husband's Name			
Address:			
Folio No.	Certificate No.	Distinctive Nos. From To	No. of Certificates
Given under the Common Seal of the Company			
This	day of	198	Director
			Director



INTEREST OF THE MODARABA COMPANY, AND ITS DIRECTORS AND OFFICERS

Modaraba Company is interested to the extent of its capital investment in the Modaraba and also in management fee to the extent of 10% of the annual profits of the Modaraba. There is no other interest of Modaraba Company and its directors and officers in promoting the Modaraba or in any properties proposed to be acquired by the Modaraba except that Mrs. Sanober Akhtar Yacoob who is director in Modaraba Company is also Chief Executive of Pakistan Industrial & Commercial Leasing Ltd and Mr. Hussain Lawai who is also director in Golden Arrow Investment & Research (Pvt) Limited and Pakistan Industrial & Commercial Leasing Ltd and are also the underwriter of Modaraba and is interested to that extent only.

Mr. Hussain Lawai will not draw any remuneration for performing the functions of the Chairman of the Modaraba Company. Mr. Mohammad Sadiq will be appointed full time working director of the Modaraba as Executive Director Incharge and will be paid his remunerations according to the terms of his appointment. No other director, shall be entitled to a monthly remuneration. All Directors, except the full time working director, shall be entitled to the fees of Rs. 500/- payable for attending meetings of the Board of the Modaraba Management Company.

MODE OF DISTRIBUTION OF PROFITS

The net income realised in respect of the Modaraba's business activities, after charging the Management Fee @ 10%, will be distributed at least once in every year to the Certificate Holders in proportion to the number of Certificates held by them. Distribution will be in the form of cash dividends and/or bonus certificates.

FUTURE CAPITALISATION

The modaraba company may make right or bonus issue of certificates, as it deems necessary for its business operations. However, the right issue shall be made after obtaining necessary permission from the Controller of Capital Issues whereas bonus issue shall be made by following the provisions of the Capital Issues (Exemption) Order, 1967 dated 13-03-1967.

TRANSFER OF CERTIFICATE

In terms of the Companies Ordinance, 1984 and Rule 22 of the Modaraba Companies and Modaraba Rule 1981. There are no restrictions on the free transferability of Modaraba Certificates where a proper instrument of transfer, duly stamped and executed by the transferor and the transferee has been delivered to the Modaraba Company alongwith the relevant Modaraba Certificate. However, transfer to the names of foreign nationals will require the prior permission of the State Bank of Pakistan.

APPLICATION OF ZAKAT AND USHR ORDINANCE 1980

Income distributed shall be subject to deduction of Zakat at source according to Zakat and Ushr Ordinance 1980 (XVIII of 1980).

CERTIFICATE OF RELIGIOUS BOARD

The Religious Board constituted under Section 9 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 has approved the proposal of Prudential Capital Management (Pvt) Ltd., for floatation of the First Prudential Modaraba and has certified that the floatation of the First Prudential Modaraba as per the draft prospectus submitted by Prudential Capital Management (Pvt) Ltd., is not opposed to the injunctions of Islam.



FULFILMENT OF THE REQUIREMENTS OF VARIOUS CLAUSES OF FOURTH SCHEDULE OF THE MODARABA COMPANIES AND MODARABA RULES 1980.

It is hereby stated under clause 18 of the Fourth schedule that no certificate has been issued or agreed to be issued by the Modaraba, otherwise than in cash. As required under Clauses 19, 20 and 26 of the schedule it is clarified that no property has so far been purchased or acquired or is proposed to be purchased or acquired and that no business has also so far been carried on by the Modaraba, it is also confirmed that no amount has been paid or benefit given to the Modaraba Company. The requirements of Clauses 21, 22, and 25 of the Fourth Schedule under reference have also been suitably dealt at items of Part II.

MATERIAL CONTRACTS: UNDERWRITING AGREEMENTS

- (a) Underwriting agreement between Modaraba Company and Pakistan Industrial and Commercial Leasing Limited dated 22-10-1989 for Rs. 25,000,000/-.
- (b) Underwriting agreement between Modaraba Company and Golden Arrow Investment and Research (Pvt) Limited dated 22-10-1989 for Rs. 25,000,000/-.



PART – X

INSTRUCTIONS FOR APPLICANTS:

- (1) Name and Addresses must be written in full in block letters in English and should not be abbreviated. All applications must bear the signature & address corresponding with that recorded with Bank in the applicant's A/C.
- (2) Application must be made on the Modaraba's printed form. A non-resident Pakistani National must submit their application in duplicate alongwith the declaration attached to the application form.
- (3)
 - (a) Attested Copy of National Identity Card should invariably be enclosed and the number indicated on each application except in case of the applications filed by the ICP on behalf of its account holder/investors. Copy of National Identity Card can be attested by any Federal/Provincial Government, Gazetted Officer, Councilor, Bank Manager, Oath Commissioner and Head Master of High School etc.
 - (b) Original Identity Card alongwith one attested photocopy must be produced for verification by the branch at the time of presenting an application. The attested photo copy will, after verification, be retained by the branch alongwith the application.
- (4)
 - (a) Application must not be for less than 500 Certificates of the nominal value of Rs.5,000/- and must be in multiples of 500 Certificates of Rs. 10/- each.
 - (b) Allotment letters will be issued in lots of 100 certificates of Rs. 10/- each.
- (5) Copies of the Prospectus and Application Form may be obtained from the members of the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited the Bankers to the issue and their branches. Consultants to the Issue and Head Office of the Prudential Capital Management (Pvt) Limited.
- (6)
 - (a) Remittance for the full amount of Certificates must accompany each application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form cheque or draft drawn payable to one of the Bankers to Issue "A/C FIRST PRUDENTIAL MODARABA" and crossed "A/C PAYEE" and must be drawn on a bank in the same town as the bank to which the application form has been sent. Subscription money must be paid by cheque drawn on applicants own A/C.
 - (b) Non-resident Pakistanis are allowed to deposit the subscription money in cash in any branch of the Bankers to the Issue abroad.
 - (c) Only one application will be accepted against each account. In case of joint accounts, one application will be accepted in the name of each of the joint account holder. No application will be accepted in the name of person shown as minor in the records of the Bank.
- (7) Application shall not be made by or on behalf of minors and/or person of unsound mind or firms or trusts. Applications made by Companies and bodies corporate must be accompanied by a copy of their Memorandum and Articles of Association or equivalent instrument. Where applications are made by virtue of power of attorney, the power of attorney must be lodged with the application.
- (8) Joint applications by more than four persons shall not be accepted. In case of joint application each person must sign the application form. The Modaraba Certificates will be despatched to the person whose name appears first on the application form through the Bank where the application is tendered, or by post and where any amount is refundable, in whole or in part, the same will be refunded by cheque and by post to the person named first on the application form without interest or through the Bank where the application is tendered.



- (9) Bankers are not allowed to make application for the Modaraba Certificates of the value of Rs. 5,000/- on account of their constituents except in the case of Pakistanis residing abroad. Such application shall be made by the subscriber himself complete in all respects and shall be certified by the Bank Manager as provided in the application form. Modaraba Certificates in respect of such applications shall be issued in the name of the applicant and sent to the postal address stated by the applicant or to the Bank through which the application is tendered. These shall not be issued in the name of the bankers.
- (10) Application for the Modaraba Certificates above the value of Rs. 5,000/- may be made by banks on behalf of their constituents but must contain all information in respect of each constituent on the application form. All such local applications made by banks must also be certified by the Bank Manager concerned as provided in the application form. Modaraba Certificates in respect of such applications will be made in the names of banks on account of the constituent and the relevant Modaraba Certificates and advices for refund will be sent to bank concerned.
- (11) No receipt will be issued for payment made with the application but an acknowledgment will be forwarded in due course either by issue of Modaraba Certificate in whole or in part or by refund of the money paid with the application. The Bankers to the Issue will issue provisional acknowledgment for application lodged with them.
- (12) It would be permissible for a bank to refund subscription money to an unsuccessful applicant having an account in that bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicant should, therefore, not fail to give their bank account number.
- (13) Allotment shall be made in accordance with the instructions laid down by the Controller of Capital Issues.
- (14) Applications which do not meet with the above requirements or applications which are incomplete shall be liable to be rejected on "post ballot scrutiny".
- (15) In case of applications made by a Banker or a Stock Exchange Broker, the banker to the issue or the broker shall obtain the Certificates from the applicants in terms of paragraph (4) of the application form and forward the same in original to PRUDENTIAL CAPITAL MANAGEMENT (PVT) LTD with the application. This will apply to resident Pakistanis only.
- (16) Balloting of the applications will be restricted to only such applications which are complete in all respects. Failure to adhere to the above requirements may result in post ballot rejection of the application.
- (17) Making of any false statement in the application or wilfully supplying of incorrect information therein will make the applicant or the bank liable to legal action.

MR. HUSSAIN LAWAI

MRS. SANOBER AKHTAR YACOOB

DR. SAMIULLAH M. KORESHI

MR. ARIF LAKHANI

Karachi: Dated November 15, 1989.

SUBSCRIPTION DATE: DURING BANKING HOURS ON

MONDAY DECEMBER 4, 1989



First Prudential Modaraba

Managed by:
Prudential Capital Management (Pvt) Ltd.

APPLICATION FORM (For Resident Pakistanis) (Please see overleaf for instructions)

The Directors,
Prudential Capital Management (Pvt) Ltd.,
B-C/5, Block 7,
Kehkashan, Main Clifton Road,
Karachi.

for Modaraba's use only

Gentlemen,

I/We enclose the sum of Rs. _____ being the amount payable on application for _____
Modaraba Certificates of Rs. 10/- each in First Prudential Modaraba collected on account of subscription money.

2. I/We apply for and request you to allot me/us the above number of Certificates and I/We agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Modaraba's Prospectus and subject to Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980 and the Modaraba Companies and Modaraba Rules, 1981 or other rules framed under it or any order of the Federal Government and I/We authorise you to place my/our name(s) on the Register of Certificate holder(s) of the FIRST PRUDENTIAL MODARABA as the holder(s) of Certificates allotted to me/us pursuant to this application and to send Certificates in respect thereof and/or a Cheque/Pay Order in respect of any application money refundable by post at my/our risk to the first address written below or to the Bank through whom I/We tender this Application:

3. I/WE DECLARE THAT:

- I AM/WE ARE NATIONAL(S) OF PAKISTAN AND RESIDENT(S) IN PAKISTAN.
- I AM/WE ARE NOT MINOR(S).
- I/WE HAVE NOT MADE NOR HAVE I/WE INSTRUCTED ANY OTHER PERSON(S)/INSTITUTION(S) TO MAKE ANY OTHER APPLICATION(S) IN MY/OUR NAME(S) OR IN THE NAME OF ANY OTHER PERSON ON MY/OUR BEHALF OR IN ANY FICTITIOUS NAME.
- I/WE AGREE TO ABIDE BY THE INSTRUCTIONS PRINTED OVERLEAF AND IN CASE OF ANY INFORMATION GIVEN HEREIN BEING INCORRECT I/WE UNDERSTAND THAT I/WE SHALL NOT BE ENTITLED TO THE ALLOTMENT OF CERTIFICATES

Yours faithfully,

(a) _____

(b) _____

(c) _____

(d) _____

FULL NAMES & ADDRESS MUST BE WRITTEN IN BLOCK LETTERS

4. (a) Name in full (Mr./Miss/Mrs.)	Address	* Occupation Code
Father's/Husband's Name		
Banker's Name, Address & Account No.	N.I.C. No.	
Whether Muslim or Non-Muslim	1. Muslim <input type="checkbox"/> Tick ✓ 2. Non-Muslim <input type="checkbox"/>	

FOR JOINT HOLDERS.

4. (b) Name in full (Mr./Miss/Mrs.)	Address	* Occupation Code
Father's/Husband's Name		
Banker's Name, Address & Account No.	N.I.C. No.	
Whether Muslim or Non-Muslim	1. Muslim <input type="checkbox"/> Tick ✓ 2. Non-Muslim <input type="checkbox"/>	

4. (c) Name in full (Mr./Miss/Mrs.)	Address	* Occupation Code
Father's/Husband's Name		
Banker's Name, Address & Account No.	N.I.C. No.	
Whether Muslim or Non-Muslim	1. Muslim <input type="checkbox"/> Tick ✓ 2. Non-Muslim <input type="checkbox"/>	

4. (d) Name in full (Mr./Miss/Mrs.)	Address	* Occupation Code
Father's/Husband's Name		
Banker's Name, Address & Account No.	N.I.C. No.	
Whether Muslim or Non-Muslim	1. Muslim <input type="checkbox"/> Tick ✓ 2. Non-Muslim <input type="checkbox"/>	

(TO BE FILLED IN BY THE APPLICANT'S BANKERS)

Manager

certify that the Bank has not advanced any money for the purpose of this application/has advanced Rs. _____ for the purpose of this application and that to the best of my knowledge and belief the declaration of or on behalf of the applicant contained in sub-paragraph (iii) of paragraph 3 above is correct.

Manager's Signature _____

SPECIMEN SIGNATURE OF APPLICANT(S) OR OF THE BANKER OR BROKER ON BEHALF OF THE APPLICANT(S)
(This will not be signed by the Bankers if application is for certificates of the value of Rs. 5000/-)

NAME IN BLOCK LETTERS	SPECIMEN SIGNATURE
1. MR/MISS/MRS.	1.
2. MR/MISS/MRS.	2.
3. MR/MISS/MRS.	3.
4. MR/MISS/MRS.	4.

Banker's provisional acknowledgement for Application for Modaraba Certificates of First Prudential Modaraba
Received from _____ Application for _____ Certificates of Rs. 10/- each.

Name of Bank	Branch No.	Serial No.

Signature & Rubber stamp of receiving bank.

FOR BANKERS TO THE ISSUE FOR BROKER

BROKER'S STAMP	
BROKER'S CODE	
BANK STAMP	
BANK CODE	BRANCH CODE
BANK SERIAL NO.	
No. of certificates applied for	

Signature(s)

INDICATE THE APPLICABLE CODE NUMBER OF OCCUPATION AS PER OVERLEAF

INSTRUCTIONS FOR APPLICANTS

1. Name and Address must be written in full in block letters in English and should not be abbreviated. All applications must bear the signature & address corresponding with that recorded with Bank in the applicant's A/C.
2. Application must be made on the Modaraba's printed form. A non-resident Pakistani National must submit their application in duplicate alongwith the declaration attached to the application form.
3.
 - a) Attested copy of National Identity Card should invariably be enclosed and the number indicated on each application except in case of the applications filled by the ICP on behalf of its account holder/investors. Copy of National Identity Card can be attested by any Federal/Provincial Government, Gazetted Officer, Councillor, Bank Manager, Oath Commissioner and Head Master of High School etc.
 - b) Original Identity Card alongwith one attested photocopy must be produced for verification by the branch at the time of presenting an application. The attested photo copy will, after verification, be retained by the branch alongwith the application.
4.
 - a) Application must not be for less than 500 Certificates of the nominal value of Rs. 5,000/- and must be in multiples of 500 Certificates of Rs. 10/- each.
 - b) Allotment letters will be issued in lots of 100 certificates of Rs. 10/- each.
5. Copies of the Prospects and Application Form may be obtained from the members of the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited, the Bankers to the issue and their branches. Consultants to the issue and Head Office of the Prudential Capital Management (Pvt) Limited.
6.
 - a) Remittance for the full amount of Certificates must accompany each application and must be forwarded to any of the Bankers to the issue. Remittance should be in the form of cheque or draft drawn payable to one of the Bankers to issue "A/C FIRST PRUDENTIAL MODARABA" and crossed "A/C PAYEE" and must be drawn on a bank in the same town as the bank to which the application form has been sent. Subscription money must be paid by cheque drawn on a applicants own A/C.
 - b) Non-resident Pakistanis are allowed to deposit the subscription money in cash in any branch of the Bankers to the issue abroad.
 - c) Only one application will be accepted against each account. In case of joint accounts, one application will be accepted in the name of each of the joint account holder. No application will be accepted in the name of person shown as minor in the records of the Bank.
7. Application shall not be made by or on behalf of minors and/or person of unsound mind or firms or trusts. Applications made by Companies and bodies corporate must be accompanied by a copy of their Memorandum and Articles of Association or equivalent instrument. Where applications are made by virtue of power of attorney, the power of attorney must be lodged with the application.
8. Joint applications by more than four persons shall not be accepted. In case of joint application each person must sign the application form. The Modaraba Certificates will be despatched to the person whose name appears first on the application form through the Bank where the application is tendered, or by post and where any amount is refundable, in whole or in part, the same will be refunded by cheque and by post to the person named first on the application form without interest or through the Bank where the application is tendered.
9. Bankers are not allowed to make application for the Modaraba Certificates of the value of Rs. 5,000/- on account of their constituents except in the case of Pakistanis residing abroad. Such application shall be made by the subscriber himself complete in all respects and shall be certified by the Bank Manager as provided in the application form. Modaraba Certificates in respect of such applications shall be issued in the name of the applicant and sent to the postal address stated by the applicant or to the Bank through which the application is tendered. These shall not be issued in the name of the bankers.
10. Application for the Modaraba Certificates above the value of Rs. 5,000/- may be made by banks on behalf of their constituents but must contain all information in respect of each constituent on the application form. All such local applications made by banks must also be certified by the Bank Manager concerned as provided in the application form. Modaraba Certificates in respect of such applications will be made in the names of banks on account of the constituent and the relevant Modaraba Certificates and advices for refund will be sent to bank concerned.
11. No receipt will be issued for payment made with the application but an acknowledgement will be forwarded in due course either by issue of Modaraba Certificate in whole or in part or by refund of the money paid with the application. The Bankers to the issue will issue provisional acknowledgement for application lodged with them.
12. Allotment shall be made in accordance with the instructions laid down by the Controller of Capital Issues.
13. Applications which do not meet with the above requirements or applications which are incomplete shall be liable to be rejected on "post ballot scrutiny".
14. In case of applications made by a Banker or a Stock Exchange Broker, the banker to the issue or the broker shall obtain the Certificates from the applicants in terms of paragraph (A) of the application form and forward the same in original to PRUDENTIAL CAPITAL MANAGEMENT (PVT) LTD with the application. This will apply to resident Pakistanis only.
15. Balloting of the applications will be restricted to only such applications which are complete in all respects. Failure to adhere to the above requirements may result in post ballot rejection of the application.
16. Making of any false statement in the application or willfully supplying of incorrect information therein will make the applicant or the bank liable to legal action.

BANKERS TO THE ISSUE

- | | |
|--|---|
| 1. HABIB BANK LIMITED | 9. DEUTSCHE BANK LTD. |
| 2. UNITED BANK LIMITED | 10. ALGEMENE BANK OF NEDERLAND N.V. |
| 3. NATIONAL BANK OF PAKISTAN LTD. | 11. BANQUE INDOSUEZ |
| 4. MUSLIM COMMERCIAL BANK LTD. | 12. HABIB BANK AG. ZURICH |
| 5. ALLIED BANK OF PAKISTAN LTD. | 13. BANK OF AMERICA |
| 6. AMERICAN EXPRESS BANK LTD. | 14. STANDARD CHARTERED BANK |
| 7. FAISAL ISLAMIC BANK OF BAHRAIN E.C. | 15. RUPALI BANK LIMITED |
| 8. BANK OF OMAN LIMITED | 16. BANK OF CREDIT & COMMERCE INTERNATIONAL |

CODE OF OCCUPATIONS

- | | |
|-----------------------|------------------|
| 1. BUSINESS | 6. PROFESSIONAL |
| 2. BUSINESS EXECUTIVE | 7. STUDENT |
| 3. SERVICE | 8. AGRICULTURIST |
| 4. HOUSEWIFE | 9. INDUSTRIALIST |
| 5. HOUSEHOLD | 10. OTHERS |

ADVISOR TO THE ISSUE

Merchant Banking Division
Banque Indosuez
Muhammad House
11, Chundrigar Road
Karachi



First Prudential Modaraba

THE COMPANIES ORDINANCE, 1984 (COMPANY LIMITED BY SHARES)

Memorandum of Association of PRUDENTIAL CAPITAL MANAGEMENT (PRIVATE) LIMITED

- I. The name of the Company is "PRUDENTIAL CAPITAL MANAGEMENT (PRIVATE) LIMITED
- II. The Registered Office of the Company will be situated in the Province of Sind – Pakistan.
- III. The objects for which the company is established are the following and that the object clauses from 1 to 57 shall be governed by the Modaraba Companies and Modaraba (floatation and control) Ordinance, 1980.
 1. To engage in Modarabas, Musharakas, Morabahas and all other forms of Islamic business and to initiate, sponsor, promote, float, organise, manage, administer and operate modaraba companies, modaraba funds and modarabas, musharakas morabahas of all types and descriptions, mutual funds, unit trusts and other similar concerns either in syndicates or otherwise.
 2. To invest or participate in and to collaborate or cooperate with any modaraba company, modaraba fund, modaraba, musharka, murhabas, mutual fund unit trust and other similar concerns either in syndicates or otherwise.
 3. To arrange, procure and raise finance through modaraba companies, modaraba funds and modarabas of all types and descriptions, mutual funds, unit trust and other similar concern.
 4. To amalgamate or merge with or to absorb, take over or manage any other company having any of the objects primarily similar to those of this Company.
 5. To amalgamate, merge, absorb take over or manage any modaraba company, modaraba fund, modaraba, mutual fund, unit trust, investment company or any other similar concern either under the management of this Company or of any other concern or company.
 6. To assist, cooperate, collaborate or participate under any financial, management, joint-venture or other arrangement with any modaraba company, modaraba fund, modaraba, mutual fund, unit trust or any other similar concern either under the management of this Company or of any other concern or company.
 7. To purchase acquire or take over directly or indirectly wholly or partially either for the purpose of retaining or resale any other modaraba company, modaraba fund, modaraba, mutual fund, unit trust, investment company or any other similar concern.
 8. To subscribe, underwrite or guarantee wholly or partially either for the purpose of retaining or resale the issue of securities, shares stocks, bonds, modaraba certificates, term finance certificates, musharka certificates, participation term certificates, unit trust certificates, mutual fund certificates or other similar financial instruments issued or floated or proposed to be issued or floated by the Company or any other company or modaraba company, modaraba fund, mutual fund, unit trust, investment company or any other similar concerns.
 9. To sell, dispose of, divest, exchange, transfer or terminate in any mode and at any time whatsoever wholly or partially the interest of the Company in any company or modaraba company, modaraba fund, mutual fund, unit trust, investment company or any other similar concern.
 10. To promote, sponsor, develop, finance, manage, operate or lease or assist in promotion, sponsoring, development, financing, management, operation or leasing of any commercial, financial, trade, agricultural, service rendering business or industrial undertaking including manufacturing, transport, mining or exploration whatsoever, either existing or new, through a modaraba company, modaraba fund, modaraba, mutual fund, unit trust, investment company, or any other similar concern either in syndicates or otherwise.
 11. To form, manage, joint or subscribe to any syndicate, doing business similar to that of the Company.
 12. To purchase or otherwise acquire, hold, pledge, turn to account in any manner, import, export, sell, distribute or otherwise dispose of and generally to deal in commodities and products (including any future interest therein) and merchandise, articles of commerce, materials, personal property and real property of every kind, character and description whatsoever, wheresoever situated, and any interest therein at any place or places in Pakistan or abroad either as principal or as a factor or broker or as a commercial, sales, business or financial agent or representative, general or special, or in any other capacity whatsoever for the account of any domestic or foreign person or public authority and in connection therewith or otherwise to acquire and hold membership in or otherwise secure trading privileges on any board of trade, exchange or other similar institution where any such products or commodities or personal or real property are dealt in, and to comply with the rules of any such institution.
 13. To engage in any mercantile, manufacturing or trading business of any kind or character whatsoever, within or without Pakistan and in any part of the world, and to do all things incidental to such business.
 14. Without prejudice to each of the foregoing or subsequent clauses or in any way restricting the scope thereof, generally to perform or carry on the business of a modaraba company, modaraba fund, modaraba, mutual fund, unit trust, or others similar concern.
 15. To act as executors, administrator, and trustees and to undertake and execute trusts of all kinds whether private or public including religious and charitable trusts and generally to carry on what is usually known as trustee and executors business and in particular and without limiting the generality of the above, to act as judicial and custodian trustees for the holders of the modaraba certificates, musharka certificates, term finance certificates, participation term certificates, shares scrips, bonds, debentures, unit trust certificates, mutual fund certificates and such other securities or instruments as the Company may think fit and to undertake the office of receiver,



manager, liquidator, agent, attorney, guardian of property, committee of the property of incompetents, depository and treasury and to discharge the duties and functions incidental thereto and generally to transact all kinds of trust or agency or managing or fiduciary business.

16. To carry on any other business which may seem to the company capable of being conveniently carried on in connection with any of the above or hereinafter mentioned business or calculated directly or indirectly to enhance the value or render profitable any of the Company's properties and rights.
17. To hold, administer, sell, realise, invest, dispose of, deal with the moneys and property both real and personal and to carry on and manage, sell, realise, dispose of and deal with any business comprised or included in any estate of which the Company, are managers, executors or administrators or over which the Company has direct or indirect or exclusive or partial control under these presents or in any trust of which the Company are trustees or of which the Company are administrators, receivers, liquidators, treasurers or agents.
18. To make deposits, enter into recognizances and bonds, and otherwise give security for the due execution of the offices and performance of the duties of executors, administrators, trustees receivers, managers, liquidators, treasurers and agents.
19. To purchase or otherwise acquire and undertake the whole or any part of the business, property, undertaking, and liabilities of any company, firm or person carrying on any business which the Company is authorised to carry on or possessed of and any and all assets and property suitable for the purpose of this Company.
20. To provide management, administrative, sales and technical assistance service and advice on a contract, loan, secondment, employment or other basis and to provide consultants, staff and employees who will give management, administrative, sales and technical assistance service and advice to any person or company andy where in the world on any matter or any type of business whatsoever.
21. To enter into partnership or into any agreement for sharing profits, union of interest, cooperation, joint-venture, reciprocal concession or otherwise with any authority, partnership, person, firm, corporation or company carrying on or engaged in or professing or about to carry on or engage in any business or transactions which this Company is authorised to carry on or engage in or any business or transactions capable of being conducted so as directly or indirectly to benefit this Company and to advance money to, guarantee the contracts of, subsidise or otherwise assist any such authority, partnership, person, firm, corporation or company and to take or otherwise acquire and hold shares or stock in or securities of any such company, authority, partnership firm or person and to sell, hold, re-issue with or without guarantee or otherwise deal with such shares, stock or security.
22. To procure the Company to be registered or established or to be authorised to do business as a stock company with limited liability in any country outside Pakistan.
23. To promote any company or companies whose objects include the acquisition of all or any of the property, rights and liabilities of this Company or the promotion of which shall be considered to be calculated to advance directly or indirectly the objects of this Company or the interest of its members.
24. To guarantee the performance of the obligation of and the payment of dividends on any stock, shares and securities of any company, firm or person in any case in which such guarantee may be considered likely, directly or indirectly to further the objects of this Company or the interests of its members and generally to give any guarantee whatsoever which may be deemed likely, directly or indirectly, to benefit the Company or its members.
25. To sell, lease and in any other manner deal with or dispose of the undertaking, property, assets, rights and effects of the Company or any part thereof for such considerations as the Company may think fit and in particular for stocks, shares, or riba free securities of any other company.
26. To buy or take on lease or otherwise acquire any asset and property.
27. To pay for any property or business or service rendered or to be rendered or any purchase in cash or by bills of the Company or by shares, or riba free bonds, modaraba certificates, musharaka certificates, participation certificates or other securities or acknowledgements of the Company or partly by one or more of them or otherwise.
28. To sell, improve, manage, develop, exchange, lease, mortgage, redeem, dispose of, turn to account or otherwise deal with all or any part of the property of the Company.
29. To remunerate any person, firm or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any shares, modaraba certificates, musharaka certificate, participation term certificates or other securities of the Company or in or about the promotion of the Company or conduct of the Company's business.
30. To pay all costs, charges and expenses of and incidental to the promotion and registration of the company including Government registration fees and stamp duties.
31. To subscribe or guarantee money to or for any national, charitable, benevolent, public, general or useful objects or to or for any exhibition.
32. To grant pensions gratuities and allowances to any employees or ex-employees of the Company or any dependents or connections of such persons and to establish and support and to aid in the establishment and support of associations, institutions, funds trusts and conveniences calculated to benefit any such persons or otherwise advance the interest of the Company or its members.
33. To acquire and hold either in the name of the Company or in that of any nominee investments in shares, stock, musharaks certificates, modaraba certificates, participation term certificates, unit trust certificates, mutual fund certificates, debentures, debenture stock, bonds,



obligations and securities issued or guaranteed by any company, Government, sovereign ruler, commissioners, public body or authority, supreme, municipal, local or otherwise whether in Pakistan or elsewhere and to vary such investments.

34. To carry on and transact every kind of guarantee and indemnity business and every kind of counter-guarantee and counter-indemnity business as may be permissible under the Shariah and law.
35. To carry on business of erecting and constructing houses, buildings, structures and fixtures of every description on lands and/or buildings and to purchase, take on lease or otherwise acquire or exchange or transfer any lands and/or buildings to dispose them by sale or under any hire purchase or leasing scheme.
36. To enter into any arrangements with any Government or authorities supreme, municipal, local or otherwise or with any other person that may seem conducive to the Company's objects or any of them and to obtain from any such Governments, authority or persons all rights, privileges and concessions which the Company may think desirable to obtain and to carry out, exercise, and comply with any such arrangements, rights, privileges and concessions and dispose of or turn to account the same.
37. To promote, conduct, manage, contribute to or otherwise assist any arrangements for sharing profits, union of interest, cooperation or other schemes for the benefit of the employees or ex-employees of the Company and to pay gratuity, pension, bonus, extra remuneration or compensation of any kind to any contractor, officers, servant or workmen or other employees of the Company as the Company or its Directors may from time to time think fit.
38. To apply for and obtain, purchase or otherwise acquire any monopolies, concessions, licenses or privileges, patents, patent rights or inventions, trade marks, copyrights or secret processes, which may be useful for the Company's objects and to work or dispose of or grant licenses to use the same.
39. To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its objects and also to extend the business of the company by purchasing, acquiring, adding to, altering, enlarging all or any of the buildings, mills factories, premises, places, being the property of the Company or on all or any of the lands for the time being the property of the Company or on all or any of the lands for the time being the property or in possession of the Company and by expending from time to time such sum or sums of money as may be necessary or expedient for improving, adding to, altering, repairing and maintaining the buildings, structures, machinery, plant and property for the time being of Company and to sell or mortgage or let out on hire or lease all or any portion of the same as may be thought desirable.
40. To amalgamate with or accept stock or shares or modaraba certificates, musharaka certificates, participation term certificates, term finance certificates, bonds, debentures or other securities of any other company in payment or part payment of any services rendered or for any sale made to or debt owing from any such company.
41. To finance or assist in financing the sale of goods articles or commodities of all and every kind or description by way of leasing, hire purchase or deferred payment or similar transaction and to institute, enter into carry on, subsidise, finance or assist in subsidising or financing the sale and maintenance of goods articles or commodities of all and every kind and description upon any terms whatsoever, to acquire and discount leasing, hire purchase or other agreement or any rights thereunder (whether proprietary or contractual) and to import, export, buy, sell, barter, exchange, pledge, make advances upon or otherwise deal in goods, produce, articles and merchandise.
42. To advance money on mortgage of immovable property or on hypothecation or pledge or movable property to such persons and on such profit sharing terms or other Islamic modes as may seem expedient and in particular to customers of and persons having dealings with the Company.
43. To guarantee or obtain the guarantee or indemnity of any company or person for the benefit of any persons or company dealing with or concerned in the performance of any duty or obligation by the Company.
44. To borrow or raise or secure the payment of money in accordance with Shariah by issue of modaraba certificates, musharaka certificates, participation term certificates, term finance certificates, debentures or debenture-stock, perpetual or otherwise and whether charged or not charged upon the whole or any part of the property of the Company (both present and future), whether payable to bearer or otherwise and to apply the same or any part thereof for all or any of the purposes of the Company.
45. To establish and conduct agencies and branches in any part of Pakistan or any part of the world for the purposes of the Company, undertake the management, supervision or control of the business or operations of any company or companies having objects altogether or in part similar to those of this Company. Provided that nothing contained in this clause shall authorise the Company to carry on the business of managing agents.
46. To transact and carry on all kinds of agency business and to act as secretaries of any company, concern or corporation, and for that purpose to appoint and remunerate any directors, accountants or other experts or agents.
47. To sell, manage, improve, develop, mortgage, let, sublet, or otherwise turn to account, dispose of or deal with all or any part of the real or immovable and personal or movable property of the company, whenever and however required.
48. To distribute any of the assets of the Company in specie amongst its members or any class or classes of members.
49. To take or concur in taking all such steps and proceedings as may be considered or calculated to uphold and support the credit of the Company and to obtain and justify public confidence.
50. To draw, make, accept, endorse, transfer, discount, execute and issue cheques, promissory notes, bills of exchange, bills of lading, railway receipts, warrants, debentures, shares, stock, bonds, modaraba certificates, musharaka certificates, participation term certificates, unit trust certificates, mutual fund certificates or other financial or negotiable instruments or documents in connection with the Company's business.



51. To open, maintain and operate account or accounts with any bank or banks in Pakistan or elsewhere in the world and to enter into any transactions or dealings, agreements or arrangements with or procure such services from bank or banks which are generally entered into or performed or rendered by the banks with, for or to their constituents. Without limiting the generality of the foregoing to open, maintain and operate current, term deposit, savings, profits and loss sharing or other types of accounts, to maintain and operate lockers and other safe custody arrangements, to open and get established and establish letters of credit, on behalf of the Company and its musharaka participants to obtain bank guarantees and obtain any other assistance of the bank in carrying out the objects of the Company.
52. To engage, employ, hire, suspend, terminate, dismiss, lay off workers, clerks, officers, technicians, consultants, advisers and such other personnel as may be considered necessary and to remunerate them either in cash or in kind with or without perquisites on hourly, daily, weekly, fortnightly, monthly, annually or contract or output basis and to pay allowances, overtime, incentives, rewards, bonus, gratuities, pensions, annuities in any form whatsoever.
53. To engage or appoint or obtain services from consultants, advisers, architects, engineers, technicians, advocates, lawyers, solicitors, attorneys, agents, brokers, doctors, professionals on such terms and conditions as may be deemed suitable.
54. To enter into, institute, prosecute, defend, satisfy or compromise any legal, arbitration or other proceedings before any forum, courts, tribunals, bodies, boards, authorities and other agencies in Pakistan or elsewhere. To pay, satisfy or compromise any claims made against the Company which it may seem expedient to pay, satisfy or compromise notwithstanding that the same may not be valid in law.
55. To insure the Company against the risk or peril of loss, damage, destruction, demolition or diminution and generally take measures for the safe custody, defence and protection of the Company's interests, assets, movable and immovable properties, records, documents, belongings and man power and take out any insurance policies or enter into any contracts of insurance, guarantee or indemnity for attaining the aforesaid objectives. Without limiting the generality of the aforesaid objectives. Without limiting the generality of the foregoing to take out marine, hull, fire, motor and miscellaneous accident, personal accident, fidelity guarantee, group insurance, explosion, third party claims, loss of profit, workmen's compensation and all other forms of insurances as may be considered necessary.
56. To do all or any of the things and matters aforesaid in any part of the world and either as principals, agents trustees, contractors or otherwise and by or through trustees, agents, sub-contractors or otherwise and either alone or in conjunction with others and either for reward or gratuitously.
57. To do all such other things as may be considered to be incidental or conducive to the attainment of the above objects or any of them and are permissible under Shariah and the law.

The objects set forth in any sub-clauses of this clause shall not, be restrictively construed but the widest interpretation shall be given thereto and they shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the objects therein specified or powers mentioned in the first sub-clause of this clause, but the Company shall have full power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided by any part of this clause in any part of the world and notwithstanding that the business, undertaking, property or acts proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first sub-clause of this clause.

Provided that nothing herein contained shall authorise the Company to engage in any business or enterprise or enter into any transaction or invest in any venture the activities of which are contrary to the Injunctions of Islam or which involves the element of riba in any form whatsoever or doing any business of banking in any form whatsoever.

IV. Liability of members is limited.

- V. *The capital of the company is Rs.20,000,000 divided into 2,000,000 shares of Rs. 10/- each with powers to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes in such manner as may for the time being be provided by the Articles of Association of the Company.

Authorised Capital have been enhanced vide special resolution dated 28th August, 1989.



Securities and Exchange Commission of Pakistan
Specialized Companies Division
Policy, Regulation and Development Department
(Modaraba Wing)

No: SC/M/RS/Prudential/36/2021- 191
June 23, 2021

The Chief Executive,
Awwal Modaraba Management Limited,
3rd Floor, Horizon Vista, Plot No. Commercial 10,
Block No. 4, Scheme No. 5, Clifton,
Karachi.

Subject: Request for amendments in the Prospectus of First Prudential Modaraba

Dear Sir,

This is with reference to your letters dated May 6, 2021, June 2, 2021 and June 14, 2021 on the subject noted above.

In this regard, I am directed to inform you that the competent authority has allowed First Prudential Modaraba to coopt the following business clauses as approved by the Religious Board:

Sr. # at Prospectus	Proposed	Text approved by Religious Board
Nil	<p>Building, Construction, and Real Estate</p> <p>To acquire by purchase, lease or otherwise land, building and property or any interest, in the same and to build, erect, improve and construct houses, buildings of every description, and to sell, lease, let to otherwise dispose off the same for cash or on deferred payment basis. on its own or on collaboration with other individuals, companies, and / or any other legal corporate structure.</p> <p>The grant of permission to the Modaraba would however be subject to Rules / Regulations, which may be in force from time to time for carrying out the Real Estate Business by the</p>	<p>Building, Construction, and Real Estate</p> <p>To acquire by purchase, lease or otherwise land, building and property or any interest, in the same and to build, erect, improve and construct houses, buildings of every description, and to sell, lease, let to otherwise dispose off the same for cash or on deferred payment basis.</p> <p>The grant of permission to the Modaraba would however be subject to Rules / Regulations, which may be in force from time to time for carrying out the Real Estate Business by the Modaraba.</p> <p>Business and investment decisions</p>



Securities and Exchange Commission of Pakistan
Specialized Companies Division
Policy, Regulation and Development Department
(Modaraba Wing)

Continuation Sheet - 1 -

	<p>Modaraba.</p> <p>Business and investment decisions shall be judiciously based on thorough analysis and studies and scope of future prospects in the light of cash flow, market operations, business projections and environment consideration as well as the management of enterprise.</p>	<p>shall be judiciously based on thorough analysis and studies and scope of future prospects in the light of cash flow, market operations, business projections and environment consideration as well as the management of enterprise.</p>
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Furthermore, the Modaraba Company shall submit three amended copies of the prospectus of First Prudential Modaraba for record of this office.

Regards,

Tauqeer Ahmad Sipra
Management Executive