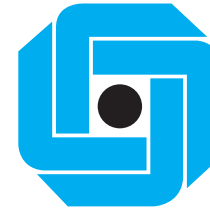


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First Prudential Modaraba
Office No. A-601-602, 6th Floor,
Lakson Square Building No.3,
Sarwar Shaheed Road, Karachi-74200,

Quarterly Accounts
March 31, 2013
(Un-Audited)



First Prudential Modaraba

Managed by :
Prudential Capital Management Ltd

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

Mr. M. Nadeem Ahmed	Chief Executive
Mr. Fazal M. Mughal	Director
Mr. Ataullah Khan	Director
Dr. Muhammad Hussain	Director
Mr. Asad Iqbal Siddiqui	Director (Since Resigned)
Mr. Muhammad Asif	Director (Since Resigned)

COMPANY SECRETARY

Mr. Muhammad Musharraf Khan

AUDIT COMMITTEE

Mr. Fazal M. Mughal	Member
Mr. Ataullah Khan	Member
Mr. Muhammad Asif	(Since Resigned)

HUMAN RESOURCES AND**REMUNERATION COMMITTEE**

Mr. Fazal M. Mughal	Chairman
Mr. Ataullah Khan	Member
Mr. M. Nadeem Ahmed	Member

SHARI'AH ADVISOR

Mufti Muhammad Ibrahim Essa

AUDITORSM.Yousuf Adil Saleem & Co.
Chartered Accountants**LEGAL ADVISORS**

Mandviwalla & Zafar, Advocates

BANKERSHBL Islamic Banking
Faysal Bank Barkat Islamic Banking
BankIslami Pakistan Limited
Al Baraka Bank (Pakistan) Ltd.
Burj Bank Limited**MANAGEMENT COMPANY**

Prudential Capital Management Limited

REGISTERED OFFICEOffice No. 54, Ground Floor,
Beverly Centre, 56-G, Blue Area,
Islamabad.
Tel: 051-2825343 Fax: 051-2814000
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 equity investment.

PUBLIC INFORMATIONFinancial analysts, Stock, broker, interested investors and financial media desiring information about First Prudential Modaraba should contact Mr. Muhammad Musharraf Khan (Company Secretary) or Syed Imran Ali (Chief Financial Officer) Office No. A-601-602, 6th Floor, Lakson Square Building No.3, Sarwar Shaheed Road, Karachi-74200,
Tel: 92-21-35643275-8,
Fax: 92-21-35643283
E-mail:
syedimran.ali@firstprudentialmodaraba.com,
mmk@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: 021-32401634**KARACHI OFFICE**Office No. A-601-602, 6th Floor, Lakson Square Building No.3, Sarwar Shaheed Road, Karachi-74200,
Tel: 92-21-35643275-8,
Fax: 92-21-35643283
E-mail: info@firstprudentialmodaraba.com**DIRECTOR'S REPORT**

The Board of Directors of Prudential Capital Management Limited, the management company of First Prudential Modaraba presents un-audited condensed interim financial statements for the period ended March 31st, 2013, as required under section 245 of the Companies Ordinance 1984, prepared in accordance with the requirements of the International Accounting Standard-34 "Interim Financial Reporting" as applicable in Pakistan.

KEY OPERATING / FINANCIAL HIGHLIGHTS

	(Rupees in million)	
	Period ended March 31,	
	2013	2012
Total income from operations	56.44	69.39
Operating expenses	(36.18)	(31.90)
Operating profit for the period	20.26	37.49
Un-realized gain / (loss) on re-measurement of Investments	1.40	(2.39)
Provision against doubtful receivables	(0.13)	(23.71)
Amortization charges	(2.00)	-
Other comprehensive income	-	(0.22)
Net profit for the period	19.53	11.17
Earning per Certificate – Re.	0.22	0.13

REVIEW OF OPERATIONS

By the Grace of Allah the performance of your Modaraba remained satisfactory. During the nine month ended, Modaraba made a net profit of rupees 19.53 million as compared to a net profit of rupees 11.17 million in the corresponding period, representing a net growth of 74.84% to corresponding period, although the income from operations as compared to corresponding period witness a decline of 18.66%. The management has focused mainly on core business activities. During the quarter Modaraba has disbursed (net) rupees 32.71 million to customers against Diminishing Musharika and Ijarah arrangements. The Modaraba has also placed orders of rupees 37.70 million for purchase of new vehicles for customers to be disbursed against Diminishing Musharika and Ijarah arrangements. Trading in stock market is carried out on a prudent manner. The management is confident that in the coming months the profitability of the Modaraba will further improve as order placed for vehicles are delivered to the customers and new disbursements are made to good customers.

Acknowledgement

The Board of Directors expresses their special thanks for the continuous guidance and support extended by the Registrar Modaraba, other officials of Securities and Exchange Commission of Pakistan, the Karachi, Lahore and Islamabad Stock Exchanges. The Board is also thankful to its Certificate Holders for reposing their confidence in the Management of the Modaraba and appreciates the hard work and dedication of staff of the Modaraba.

For & on behalf of the Board of Directors of
Prudential Capital Management Limited,
Manager First Prudential Modaraba

Karachi.
April 26, 2013

M. Nadeem Ahmed
Chief Executive



**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2013(UN AUDITED)**

ASSETS	Note	Un-audited March 31, 2013 Rupees	Audited June 30, 2012 Rupees
Current Assets			
Cash and bank balances	5	205,907,328	90,368,066
Investments	6	54,008,901	282,828,284
Musharika, morabaha and other finance	7	27,882,532	26,314,136
Diminishing Musharika		3,241,851	-
Loans and Receivables	8	2,000,000	-
Ijarah rentals receivable	9	883,384	1,490,630
Advances, prepayments and other receivables		65,911,017	39,826,034
Total Current Assets		359,835,013	440,827,150
Long term investments		-	6,447,388
Long term portion of Diminishing Musharika		27,841,399	-
Loan and Receivables	8	5,326,975	-
Long term deposits		3,068,092	3,068,092
Intangible asset		23,698,106	22,326,567
Property and equipment - owned		45,933,951	187,267
Property, plant and equipment -Ijarah		81,797,683	107,907,387
Investment property		36,612,000	10,500,000
TOTAL ASSETS		584,113,219	591,263,851
LIABILITIES			
Current liabilities			
Current portion of long term ijarah deposits		17,798,005	13,380,840
Accrued and other liabilities		6,222,521	7,544,668
Unclaimed profit distribution		22,910,664	17,832,449
Total Current Liabilities		46,931,190	38,757,957
Non-current liabilities			
Long term ijarah deposits		24,558,530	32,898,007
TOTAL LIABILITIES		71,489,720	71,655,964
NET ASSETS		512,623,499	519,607,887
REPRESENTED BY			
Certificate Capital			
87,217,660 Modaraba Certificates of Rupees 10/- each		872,176,600	872,176,600
Statutory reserve		133,492,500	133,492,500
Accumulated loss		(493,045,601)	(486,061,213)
		512,623,499	519,607,887
Commitments	10		

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



**CONDENSED INTERIM PROFIT & LOSS ACCOUNT
For the Period March 31, 2013 (Un Audited)**

Nine months ended.....Quarter ended.....		
	Jul 2012 to March 31, 2013	Jul 2011 to March 31, 2012	January 2013 to March 31, 2013	January 2012 to March 31, 2012
	Rupees			
INCOME / (LOSS)				
Ijarah rentals	32,122,095	32,409,579	7,573,333	15,562,589
Return on term deposit receipts and PLS accounts	16,105,553	24,486,300	4,761,309	6,787,309
Income on musharika, morabaha and other finance	842,106	162,176	842,106	18,332
Gain on sale of investments	4,000,617	5,691,793	617,055	3,979,402
Dividend income	2,644,372	4,818,290	789,244	1,700,001
Other income	727,664	1,819,619	(465,773)	44,724
	56,442,407	69,387,757	14,117,274	28,092,357
Unrealized gain / (loss) on remeasurement of held for trading investments	1,404,665	(2,388,286)	523,655	(12,685,588)
(Provision) / Reversal against doubtful receivable - net	(128,113)	(23,710,042)	492,855	441,100
Amortisation charges - other receivable	(2,006,357)	-	-	-
	55,712,602	43,289,429	15,133,784	15,847,869
EXPENDITURE				
Depreciation on ijarah assets	(24,075,126)	(20,962,607)	(7,873,160)	(9,030,553)
Administrative expenses	(11,693,170)	(10,770,091)	(3,559,471)	(3,363,922)
Workers welfare fund	(323,456)	(138,228)	-	-
Bank and other charges	(94,092)	(30,806)	(23,737)	(11,306)
	(36,185,844)	(31,901,732)	(11,456,368)	(12,405,781)
Profit for the period	19,526,758	11,387,697	3,677,416	3,442,088
Modaraba company's management fee	-	-	-	-
Profit before taxation	19,526,758	11,387,697	3,677,416	3,442,088
Provision for taxation	-	-	-	-
Profit after taxation	19,526,758	11,387,697	3,677,416	3,442,088
Other comprehensive income				
Unrealized gain on remeasurement of 'available for sale' investments	-	(218,039)	-	416,806
Total comprehensive income for the period	19,526,758	11,169,658	3,677,416	3,858,894
Earnings per certificate (Re)	0.22	0.13	0.04	0.04

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



CONDENSED INTERIM CASH FLOW STATEMENT
For the Period Ended March 31, 2013 (Un Audited)

	March 31, 2013 Rupees	March 31, 2012 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	19,526,758	11,169,658
Adjustments for non-cash changes and other items:		
Dividend income	(2,644,372)	(4,818,290)
Gain on disposal-own assets	(3,500)	(1,084,829)
Gain on disposal-ijarah assets	(187,132)	-
Unrealized gain on remeasurement of held for trading investments	(1,404,665)	2,606,325
Amortisation charges - other receivable	2,006,357	-
Gain on sale of investments	(4,000,617)	(5,691,793)
Impairment(losses)and(provision)/reversal agt. Doubtful receiveable-net	(128,113)	156,357
Depreciation-owned	549,017	134,391
Amortization on ijarah assets	24,075,126	20,962,607
	<u>18,262,101</u>	<u>12,264,768</u>
	37,788,859	23,434,426
Cash flows before movements in working capital (Increase) / Decrease in operating assets		
Musharika, morabaha and other finance	(1,440,283)	1,214,824
Diminishing Musharika	(31,083,250)	-
Loans and Receivables	(2,000,000)	-
Ijarah rentals receivable	607,246	501,360
Advances, prepayments and other receivables	(26,004,516)	(1,080,302)
	<u>(59,920,803)</u>	<u>635,882</u>
(Decrease) / Increase/ in operating liabilities		
Long term ijarah deposits	(3,922,312)	16,025,793
Accrued and other liabilities	(1,322,147)	(3,956,494)
	<u>(5,244,459)</u>	<u>12,069,299</u>
Cash generated from operations	(27,376,403)	36,139,607
Income tax paid	(80,467)	(171,768)
Profit distribution	(21,087,082)	(23,884,707)
Net cash generated from operating activities	<u>(48,543,952)</u>	<u>12,083,132</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	2,644,372	3,262,789
Investments encashed -net	240,326,205	(163,519,240)
Proceeds from disposal-own assets	(549,679)	-
Proceeds from disposal-ijarah assets	7,259,209	-
Purchase of own assets	(45,742,522)	(7,498)
Investments property	(26,112,000)	-
Loan and receivables	(7,333,332)	-
Purchase of intangible assets	(1,371,539)	-
Purchase of ijarah assets	(5,037,500)	(76,430,062)
Net cash generated from investing activities	<u>164,083,214</u>	<u>(236,694,011)</u>
Net increase in cash and cash equivalents	115,539,262	(224,610,879)
Cash and cash equivalents at beginning of the period	90,368,066	294,763,563
Cash and cash equivalents at end of the period	<u>205,907,328</u>	<u>70,152,684</u>

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



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the Period Ended March 31, 2013 (Un Audited)

	Certificate Capital	Reserves		Total
		Capital Statutory Reserve	Revenue Accumulated Loss	
..... Rupees				
Balance at July 1, 2011	872,176,600	126,898,620	(486,078,767)	512,996,453
Profit for the period	-	-	11,387,697	11,387,697
Distribution @ 3 % declared for the year ended June 30, 2011	-	-	(26,165,298)	(26,165,298)
Other Comprehensive loss for the period	-	-	(218,039)	(218,039)
Balance at March 31, 2012	<u>872,176,600</u>	<u>126,898,620</u>	<u>(501,074,407)</u>	<u>498,000,813</u>
Balance as at July 01, 2012	872,176,600	133,492,500	(486,061,213)	519,607,887
Distribution @ 3 % declared for the year ended June 30, 2012	-	-	(26,165,298)	(26,165,298)
Profit for the Period	-	-	19,526,758	19,526,758
Other comprehensive loss for the period	-	-	(345,848)	(345,848)
Balance at March 31, 2013	<u>872,176,600</u>	<u>133,492,500</u>	<u>(493,045,601)</u>	<u>512,623,499</u>

The Statutory reserves representing profit set-aside as required under the Prudential Regulation for Modaraba is transferred annually at year end.

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



NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended March 31, 2013 (Un Audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 First Prudential Modaraba (the 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 (PCML), a company incorporated in Pakistan under the Companies Ordinance 1984. The Modaraba is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The Modaraba is currently engaged in various modes of Islamic fundings and businesses which include ijarah financing, deployment of fund in musharika, morabaha and investment in securities. Registered office of the Modaraba is situated at Beverly Centre, 56-G, Blue Area, Islamabad.

1.2 In pursuance of a show cause notice dated June 9, 2010 issued to the PCML and after taking approval from the Securities and Exchange Commission of Pakistan (SECP) under Section 20 (2) of the Modaraba Ordinance, 1980, the Registrar Modarabas passed an Order dated October 28, 2010 under section 20 (1)(a)(iii) to remove the Modaraba Company, PCML and appointed another Modaraba Management Company as Administrator to takeover and manage the affairs of the Modaraba in place of PCML. PCML has challenged the Order in the Sindh High Court (the Court) and the Court has suspended the said Order of the Registrar Modaraba till the decision of the case with the remarks that the Order was passed without giving opportunity of fair trial in terms of Article 10-A of the Constitution of Pakistan. The matter is pending in the High Court of Sindh.

1.3 The condensed interim financial information is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.

2. STATEMENT OF COMPLIANCE

These condensed interim financial information comprise of condensed interim balance sheet, condensed interim profit and loss, condensed interim cash flow statement and condensed interim statement of changes in equity together with selected explanatory notes forming part thereof. The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. It does not include all the information and disclosures made in the annual published audited financial statements and should be read in conjunction with the annual audited financial statements of the Modaraba for the year ended June 30, 2012.

3. ACCOUNTING POLICIES

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

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2012.

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

4. 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.



Note	UNAUDITED	AUDITED
	March 31 2013 Rupees	June 30 2012 Rupees

5. CASH AND BANK BALANCES

Cash in hand	45,200	26,963
Cash at banks		
Current accounts	15,216,153	1,518,191
Saving accounts	190,645,975	88,822,912
	205,862,128	90,341,103
	<u>205,907,328</u>	<u>90,368,066</u>

5.1 Effective mark-up rate in respect of PLS accounts ranges from 6% to 10.5% (June 2012: 5.00 % to 11.5 %) per annum.

6. INVESTMENTS**Loan and receivables**

Term deposit receipts - considered good	-	185,000,000
Other receivable- considered good	-	-
- considered doubtful	-	10,000,000
	-	10,000,000
Less : Provision for doubtful receivable	-	(3,000,000)
	-	<u>192,000,000</u>

Held for trading at fair value through profit or loss - in quoted securities

- considered good	6.1	54,008,901	90,828,284
		<u>54,008,901</u>	<u>282,828,284</u>

6.1 Held for trading at fair value through profit or loss - in quoted securities
Unless stated otherwise, the holdings are in the fully paid ordinary shares/ certificates/ of Rs 10/- each.

Number of Certificates/Shares	Name of Investee Company		March 31, 2013	June 30, 2012
	March 31, 2013	June 30, 2012		
		Open-end mutual funds		
		Unit Trust of Pakistan	-	13,227,300
260,012	115,000	MCB Islamic Fund Type A	26,061,014	25,205,569
	25,000	(Face value of certificate Rs.100/- each) National Investment (Unit) Trust	-	756,500
		Oil and gas		
6,400	-	Pakistan Petroleum Limited	1,121,344	-
	17,500	Oil & Gas Development Company Limited	-	2,807,700
20,200	21,200	National Refinery Limited	4,598,530	4,905,468
10,360	16,500	Pakistan State Oil Company	2,104,427	3,891,360
10,000	-	Sui Southern Gas Co.	161,400	-
10,000	-	Sui Northern Gas Co.	174,600	-
	26,500	Pakistan Refinery Limited	-	1,522,425
	14,500	Attock Refinery Limited	-	1,781,615
		Chemicals		
305,000	265,000	Fauji Fertilizer Bin Qasim Limited	11,471,050	10,817,300
30,000	25,500	Fauji Fertilizer Company	3,297,000	2,831,775
	115,830	Engro Corporation Limited	-	11,796,127
2,699	5,500	ICI Pakistan Limited	374,276	720,885
	200,000	Lotte Pakistan PTA Limited	-	1,406,000



Number of Certificates/Shares	Name of Investee Company		March 31, 2013	June 30, 2012
	March 31, 2013	June 30, 2012		
		Construction and materials		
5,000	13,500	D.G. Khan Cement Company Limited	346,350	531,630
15,000	-	Tariq Glass	368,000	-
3,500	-	Kohat Cement	272,895	-
5,000	-	MACPAC Films	135,000	-
3,500	10,000	Lucky Cement Limited	586,565	1,153,900
		TELECOM		
20,000	20,000	Pakistan Telecommunication Limited	406,000	273,800
		Pharma & Bio Tech		
2,000	1,885	Glaxo Smith Kline	155,180	119,207
		Household goods		
348	1,721	Hussain Industries Limited	-	5,163
		Personal goods		
-	20,000	Nishat Mills Limited	-	951,600
-	34,000	Nishat (Chunian) Limited	-	591,260
		Electricity		
-	95,000	Kot Addu Power Company Limited	-	4,275,000
42,500	30,000	The Hub Power Company Limited	2,136,050	1,256,700
		Financial Services		
27,000	-	First Habib Modaraba (Face value of Rs. 5/= each) Suspended / Delisted Company	239,220	-
1,670,720	1,670,720	Prudential Stock Fund	-	-
360,000	360,000	Zeal-Pak Cement Factory Limited	-	-
			<u>54,008,901</u>	<u>90,828,284</u>

7. MUSHARIKA, MORABAHA AND OTHER FINANCE

Musharika and morabaha finance	7.1	19,038,226	17,469,830
Other finance-unsecured	7.2	8,844,306	8,844,306
		<u>27,882,532</u>	<u>26,314,136</u>

7.1 Musharika and morabaha finance

Musharika finance-unsecured			
Musharika Principal		105,106,501	105,172,201
Musharika Profit		43,616,871	45,436,866
		148,723,372	150,609,067
Morabaha finance-secured			
Principal	7.1.1	89,335,419	81,585,976
Profit		124,849,328	133,982,624
		214,184,747	215,568,600
Less: Provision for doubtful receivables			
Musharika finance-unsecured		(148,376,365)	(150,609,067)
Morabaha finance-secured		(195,493,528)	(198,098,770)
		(343,869,893)	(348,707,837)
		<u>19,038,226</u>	<u>17,469,830</u>

7.1.1 These finances are secured against equitable mortgage of immovable properties and charge on vehicles, machineries, other assets and personal guarantee of sponsor directors.



	Note	UNAUDITED March 31 2013 Rupees	AUDITED June 30 2012 Rupees
7.2 Other finance-unsecured	7.2.1	11,055,382	11,055,382
Provision for doubtful receivables	7.2.1	(2,211,076)	(2,211,076)
		<u>8,844,306</u>	<u>8,844,306</u>

7.2.1 This finance has been made to Invest Capital Investment Bank Limited (ICIBL) against certain ijarah assets under a funded risk participation agreement. It carries return at the rate 17.16 % per annum.

7.2.2 The Modaraba is in the process of negotiation of the recovery of this balance. The management is confident of achieving an amicable settlement in few months. As a matter of prudence, the Modaraba has made a provision of Rs. 2.21 million.

8 Other receivable- considered good

Total installment due as at July 1, 2012	10,000,000	-
Installment received during the period	(666,668)	-
Total installments due	<u>9,333,332</u>	-
Less: current portion	(2,000,000)	-
	7,333,332	-
Amortisation charges	(2,006,357)	-
Long term portion	<u>5,326,975</u>	-

8.1 Modaraba has entered into an agreement dated December 06, 2012, with the Invest Capital Investment Bank Limited (ICIBL) for settlement of the term deposit receipt of Rs.10 million. As per the terms, the entire mark-up/profit/penalties accrued till date of settlement agreement is waived off by the Modaraba. The said balance is receivable in 60 equal monthly instalments of Rs. 166,667/- beginning from December 10, 2012 at Nil profit.

9 IJARAH RENTALS RECEIVABLE

Considered good	883,384	1,241,727
Considered doubtful	<u>23,574,341</u>	<u>24,303,208</u>
	24,457,725	25,544,935
Less: Provision for doubtful receivables	(23,574,341)	(24,054,305)
	<u>883,384</u>	<u>1,490,630</u>

9.1 Movement in provision for doubtful receivables

Opening balance	24,054,305	24,577,317
Charged during the period	1,254,178	754,575
Reversals during the period	(1,734,142)	(1,277,587)
Closing balance	<u>23,574,341</u>	<u>24,054,305</u>

10 Commitments

Commitments in respect to Diminishing Musharika and Ijarah transaction amounted to Rs. 33,992,200/= (March 2012: Nil)

11 DATE OF AUTHORISATION OF ISSUE

This condensed interim financial information has been authorized for issue on 26 April, 2013 by the Board of Directors of the Prudential Capital Management Limited.

12 FIGURES

Figures have been rounded off to the nearest Rupee.