



Half Year Ended Report

December 31, 2013

(Un - audited)

FIRST UDL MODARABA

Managed By:

UDL Modaraba Management (Pvt) Limited

Corporate Information

MODARABA MANAGEMENT COMPANY	UDL Modaraba Management (Private) Limited	
Board of Directors	Majid Hasan Ather Naqi Shuja Malik S.M.Nasir Raza Asad Abdulla	Chairman (Non Executive Director) Chief Executive Officer Executive Director Executive Director Non Executive Director
Company Secretary & CFO	Syed Aamir Hussain	
Audit Committee	Majid Hasan Shuja Malik Asad Abdulla	Chairman Member Member
Human Resource & Remuneration Committee	Asad Abdulla S.M.Nasir Raza Shuja Malik	Chairman Member Member
Auditors	Avais Hyder Liaquat Nauman Chartered Accountants	
Bankers	Habib Metropolitan Bank Limited Habib Bank Limited Silk Bank Limited (Islamic Banking) Dubai Islamic Bank Limited	
Registrar	Share Registrar Department Central Depository Company of Pakistan Ltd. CDC House Shahra -e-Faisal, Karachi	
Shariah Advisor	Mufti Abdul Qadir	
Legal Advisor	Mohsin Tayebaly & Co. 2nd Floor Dime Centre,BC-4,Block -9, Kehkashan, Clifton, Karachi-75600	
Tax Advisor	Ford Rhodes Sidat Hyder & Co. Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi-75530.	
Head Office & Registered Office	C-117/1 KDA Scheme No.1,Tipu Sultan Road, Karachi.	
Factory	E-44/45 North Western Industrial Zone, Port Qasim, Karachi	
Phone	092 - 21 - 34315591-5	
Fax	092 - 21 - 34315596	
E-Mail	info@udlmodaraba.com	
Web	www.udlmodaraba.com	

DIRECTORS' REPORT

The Board of Directors of UDL Modaraba Management Private Limited has pleasure in presenting the un-audited reviewed accounts of First UDL Modaraba for the half year ended December 31, 2013.

Review of Operations:

The overall profitability of the Modaraba is Rs. 16.3 million as against Rs. 21 million in the corresponding period last year. The management considers these results as highly satisfactory.

After considerable efforts the Pharmaceutical products were formally launched in the month of December 2013, resulting in nominal sales of Rs. 2.1 million only during this period. The sales have already gained momentum and the management is confident and hopeful that a reasonable level of sales would be achieved during the remaining half of the current fiscal year.

The management is satisfied with the overall operations of the Modaraba, especially the Ijarah and investment business, which has mainly contributed to the bottom line of the company. The management also feels that the certificate holders would benefit greatly with the diversification into the Pharmaceutical industry in the near future.

Acknowledgement:

The Board places on record its appreciation for guidance and support received from Securities & Exchange Commission of Pakistan and State Bank of Pakistan.

The Directors also acknowledge with thanks the support of the certificate holders for their continued confidence and to the members of staff for their untiring efforts and dedication.

For and on behalf of the Board

Ather Naqi
Chief Executive

26-Feb-14

AUDITORS' REVIEW REPORT

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction :

We have reviewed the accompanying condensed interim balance sheet of First UDL Modaraba as at December 31, 2013, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the accounts for the six months period ended (here-in-after referred to as the "interim financial information"). The Modaraba Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review :

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

Conclusion :

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters:

The figures for the quarters ended December 31, 2013 and December 31, 2012 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Chartered Accountants

Engagement Partner: Moazzam Saddique

Karachi

26-Feb-14

**FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2013**

		(Un-audited) December 31, 2013	(Audited) June 30, 2013
	Note	----- Rupees in "000" -----	
LIABILITIES AND EQUITY			
Certificate holders' equity			
Certificate capital:			
Authorized capital 50,000,000 (June 30, 2013: 50,000,000) modaraba certificates of Rupees 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up certificate capital	5	<u>263,866</u>	263,866
Statutory reserve		201,638	201,638
Revenue reserves			
Unrealized gain on re-measurement of available for sale investments		<u>38,606</u>	57,884
Unappropriated profit		<u>18,039</u>	28,071
		<u>56,645</u>	85,955
Total equity		522,149	551,459
Non-current liabilities			
Long term security deposits		<u>75,027</u>	97,326
Deferred liabilities		<u>104,016</u>	104,016
		179,043	201,342
Current liabilities			
Current maturity of security deposits		<u>38,546</u>	6,862
Payable to management company		<u>650</u>	2,433
Accrued and other liabilities		<u>32,532</u>	32,137
		71,728	41,432
Contingencies and commitments	6.		
Total liabilities and equity		<u>772,920</u>	<u>794,233</u>
ASSETS			
Non-current assets			
Fixed assets - tangible	7.	<u>495,505</u>	505,677
Fixed assets - intangible		<u>2,350</u>	2,500
Long term investments	8	<u>98,573</u>	126,953
Diminishing musharaka finance		<u>1,093</u>	7,653
Long term advances and deposits		<u>142</u>	911
		597,663	643,694
Current assets			
Ijarah rental receivables		<u>602</u>	552
Stock		<u>10,415</u>	2,968
Debtors		<u>1,859</u>	-
Diminishing musharika receivables - secured		<u>13,120</u>	13,120
Financial assets - investments at fair value through profit or loss	9.	<u>49,198</u>	27,683
Advances - considered good		<u>19,935</u>	7,389
Prepayments and other receivables		<u>1,836</u>	2,976
Cash and bank balances	10	<u>75,758</u>	95,851
		172,723	150,539
Assets held for sale	11	2,534	-
Total assets		<u>772,920</u>	<u>794,233</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For UDL Modaraba Management (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE QUARTER AND SIX MONTHS PERIOD DECEMBER 31, 2013**

	Note	Quarter ended		Half year ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
		----- Rupees"000" -----			
Income from modaraba business	12	55,863	41,431	104,066	79,916
Sales - Pharma business		1,207	-	2,075	-
		57,070	41,431	106,142	79,916
Operating expenses	13	18,105	8,203	38,029	14,031
Amortization on assets leased out under Ijarah		31,299	25,481	62,260	50,198
Financial charges		12	19	12	27
		49,416	33,703	100,302	64,256
Operating profit		7,654	7,727	5,840	15,659
Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss		3,678	(414)	4,814	882
Share of profit from associates (unrealized)		2,140	3,009	7,518	6,938
		13,472	10,322	18,171	23,479
Modaraba company's management fee		1,817	1,032	1,817	2,348
Profit for the period		11,655	9,290	16,354	21,131
Earnings per certificate - basic and diluted	14	0.44	0.35	0.62	0.80

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For UDL Modaraba Management (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE QUARTER AND SIX MONTHS PERIOD DECEMBER 31, 2013

	<u>Quarter ended</u>		<u>Six months ended</u>	
	<u>December 31</u>	<u>December 31</u>	<u>December 31</u>	<u>December 31</u>
	2013	2012	2013	2012
	----- Rupees"000" -----			
Profit for the period	11,010	9,290	16,354	21,131
Other comprehensive income				
Unrealised (loss) / gain on re-measurement of available for sale investments	9,942	8,117	(19,278)	8,258
Other comprehensive income after income tax	9,942	8,117	(19,278)	8,258
Total comprehensive income	20,952	17,407	(2,924)	29,389

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For UDL Modaraba Management (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOW - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	December 31, 2013	December 31, 2012
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	16,354	21,131
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	8,469	1,100
Amortization on intangible assets	150	
Amortization of assets leased out	62,260	50,198
Financial charges	12	27
Loss on sale of leased assets	1,077	(90)
Share of profit from associates	(7,518)	(6,938)
Dividend income	(919)	(375)
Loss / (Gain) on sale of investment	(21,171)	(1,429)
Gain on sale of assets - own	(571)	-
Profit on bank deposits	(2,884)	(3,347)
Unrealised gain on re-measurement of investments at fair value through profit or loss	(7,518)	(882)
	31,387	38,264
	47,741	59,395
Changes in working capital:		
(Increase) / decrease in current assets		
Stock	(7,447)	(3,005)
Ijarah rental receivables	(50)	(709)
Debtors	(1,859)	
Musharika receivables - secured	-	40,002
Advances - considered good	(12,546)	11,785
Prepayments and other receivables	1,140	2,061
	(20,762)	50,136
Increase / (decrease) in current liabilities		
Current maturity of security deposits	31,684	(3,163)
Payable to management company	(1,783)	(3,036)
Accrued and other liabilities	395	27,378
	57,274	130,710
Financial charges paid	(12)	(27)
Profit distributed to certificate holders	(26,386)	(26,386)
	(26,398)	(26,413)
<i>Net cash flows generated from operating activities</i>	30,876	104,297
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - leased out	(45,601)	(46,280)
Purchase of fixed assets - own	(20,962)	(8,868)
Capital work in progress	-	(152,123)
Proceeds from sale of fixed assets - leased out	7,379	300
Proceeds from sale of fixed assets - own	1,550	-
Dividends received	919	375
Profit received on bank deposits	2,884	3,347
Proceeds from sale of long term investments	28,075	12,649
Purchase of investments	(34,598)	2,277
<i>Net cash flows (used in) investing activities</i>	(60,354)	(192,877)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term security deposits	9,385	11,628
<i>Net cash flows generated from financing activities</i>	9,385	11,628
Net change in cash and cash equivalents during the period	(20,093)	(76,952)
Cash and cash equivalents at the beginning of the period	95,851	172,466
Cash and cash equivalents at the end of the period	75,758	95,514

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For UDL Modaraba Management (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	Issued, subscribed and paid-up certificate capital	* Statutory Reserve	----- Revenue reserve ----- Unrealized (loss)/Gain on remeasurement of available for sale investment	Unappropriated Profit	Certificate holder's equity
	----- Rupees"000" -----				
Balance as at July 01, 2012	263,866	193,329	(115)	47,607	504,687
Profit distribution in cash	-	-	-	(26,386)	(26,386)
Total comprehensive income for the period ended December 31, 2012	-	-	8,258	21,131	29,389
Balance as at December 31, 2012	263,866	193,329	8,143	42,352	507,690
Balance as at July 01, 2013	263,866	201,638	57,884	28,071	551,459
Profit distribution in cash	-	-	-	(26,386)	(26,386)
Total comprehensive income for the period ended December 31, 2013	-	-	(19,278)	16,354	(2,924)
Balance as at December 31, 2013	263,866	201,638	38,606	18,039	522,149

*The statutory reserve represents profit set-aside as required under Prudential Regulations for Modaraba and is transferred annually at year end.

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For UDL Modaraba Management (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

FIRST UDL MODARABA**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013****1. LEGAL STATUS AND NATURE OF THE BUSINESS**

First UDL Modaraba (the Modaraba) was formed in 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under, having its registered office at C-117/1, KDA Scheme No. 1, Tipu Sultan Road, Karachi and is managed by UDL Modaraba Management (Private) Limited, a company incorporated in Pakistan. It is a perpetual, multipurpose and multidimensional Modaraba and is engaged in providing finance on Murabaha and Musharaka arrangements, Ijarah, commodity trading, manufacturing and trading of pharmaceutical products, and trading in listed and non-interest bearing securities. The Modaraba is listed on Karachi, Islamabad and Lahore Stock Exchanges.

2. BASIS OF PREPARATION

This condensed interim financial information comprises of the condensed interim balance sheet as at December 31, 2013 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and the notes forming part thereof for the six months period ended December 31, 2013 which have been subjected to a review but not audited and have been prepared under the historical cost convention except for: investments - available for sale and investment - at fair value through profit or loss have been recognised at fair value and staff retirement (gratuity) benefits have been recognised at value determined by the actuary.

3. STATEMENT OF COMPLIANCE

The condensed interim financial information for the six months period ended December 31, 2013 have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modaraba and directives issued by Security and Exchange Commission of Pakistan (the Modaraba regulations). In case where requirements differ, the provisions of or directives issued under Copmanies Ordinance, 1984 have been followed. The condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Modaraba's annual Financial Statements for the year ended June 30, 2013. The figures for the half year ended December 31, 2013 have been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at June 30, 2013 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2013 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year ended December 31, 2012 have been extracted from the condensed interim financial information for the six months period ended December 31, 2012 which were subjected to a review but not audited.

The Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 10 of 2004 dated 13 February has deferred, till further orders, the applicability of International Accounting Standard (IAS) 17 "Leases" on Modarabas with effect from 1st July 2003 and advised the management companies of Modarabas that they may continue to prepare the financial statements of the Modarabas without applying the requirements of said IAS to the Modarabas. However, the requirements of above IAS have been considered for the purpose of preparations of the condensed interim financial information.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2013 except for the adoption of new accounting policy for assets held for sale as referred to in note 4.1.

4.1 ASSETS HELD FOR SALE

Non-current assets and associated liabilities are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable.

Assets designated as held for sale are held at the lower of carrying amount at designation and fair value less costs to sell.

Depreciation is not charged against property, plant and equipment classified as held for sale.

5. ISSUED SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Un-audited December 31, 2013	Audited June 30, 2013		Un-audited December 31, 2013	Audited June 30, 2013
-----Number of certificates-----			----- Rupees "000" -----	
17,668,885	17,668,885	Modaraba certificates of Rs. 10 each fully paid in cash	176,689	176,689
8,717,704	8,717,704	Modaraba certificates issued as fully paid bonus certificates	87,177	87,177
<u>26,386,589</u>	<u>26,386,589</u>		<u>263,866</u>	<u>263,866</u>

6. CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2013.

	Un-audited December 31, 2013	Audited June 30, 2013
	----- Rupees "000" -----	
7. FIXED ASSETS - tangible		
Assets in own use	195,668	180,711
Assets leased out	299,837	324,967
	<u>495,505</u>	<u>505,678</u>

7.1 Assets in own use

Following is the cost of assets that have been acquired/disposed-off during the period ended December 31, 2013.

	Un-audited December 31, 2013	Un-audited December 31, 2013	Audited June 30, 2013	Audited June 30, 2013
	----- Rupees "000" -----			
	Additions	Disposals	Additions	Disposals
Vehicle	5,808	1,679	12,956	4,492
Furniture & Fixture	141	-	2,107	-
Computer Equipments	119	-	1,181	-
Office Equipments & appliances	3,225	-	1,844	-
Plant and machinery	5,029	-	64,149	-
Building	6,640	-	87,387	-
Books	-	-	47	-
Lease hold land	-	-	10,000	-
	<u>20,962</u>	<u>1,679</u>	<u>179,671</u>	<u>4,492</u>

7.2 Assets leased out

Following is the cost of assets that have been acquired / disposed-off during the period ended December 31, 2012.

	Un-audited December 31, 2013	Un-audited December 31, 2013	Audited June 30, 2013	Audited June 30, 2013
	----- Rupees "000" -----			
	Additions	Disposals	Additions	Disposals
Machinery and equipments	-	-	45,288	13,255
Vehicles	45,601	21,014	116,227	41,320
	<u>45,601</u>	<u>21,014</u>	<u>161,515</u>	<u>54,575</u>

8 LONG TERM INVESTMENTS

Note

Associated companies	8.1	46,648	54,009
Available for sale			
Listed companies	8.2	51,925	72,944
		<u>98,573</u>	<u>126,953</u>

8.1 Associated companies

	December-13				
	The Searle Company	United Distributors Pakistan Limited	United Brands Limited	IBL Healthcare Limited	Total
Share capital - ordinary shares	33,689,461	9,183,900	10,800,000	20,000,000	73,673,361
No. of shares held	879,786	213,000	69,060	-	1,161,846
Ownership interest	2.61%	2.32%	0.64%	0.00%	
	-----Rupees'000'-----				
Opening balance	40,218	7,761	2,952	3,078	54,009
Share of (loss) / profit from associate	4,552	2,960	7	-	7,519
Sold / (transfer) during the period	(10,130)	26	-	(3,078)	(13,182)
Dividend income	(1,629)	-	(69)	-	(1,698)
	<u>33,011</u>	<u>10,747</u>	<u>2,890</u>	<u>-</u>	<u>46,648</u>

	June-13				Total
	The Searle Company	United Distributors Pakistan Limited	United Brands Limited	IBL Healthcare Limited	
Share capital - ordinary shares	47,165,245	9,183,900	1,200,000	20,000,000	77,549,145
No. of shares held	940,451	211,500	69,060	142,883	1,363,894
Ownership interest	1.99%	2.30%	5.76%	0.71%	
	-----Rupees'000'-----				
Opening balance	37,984	7,562	3,141	5,363	54,050
Transfer / (Sold) during the year	(9,407)	-	-	(2,157)	(11,564)
Share of profit from associate	12,481	199	(189)	454	12,945
Dividend income	(840)	-	-	(582)	(1,422)
	<u>40,218</u>	<u>7,761</u>	<u>2,952</u>	<u>3,078</u>	<u>54,009</u>

8.1.1 The latest available financial results of associate as of September 30, 2013 have been used for the purpose of application of equity method

8.1.2 The ownership interest is based on latest available financial results of Associates as of December 31, 2013 have been used for the purpose of application of equity method.

8.1.3 The bonus shares of The Searle Company received by the modaraba have been included in the ownership interest.

8.2 Listed companies

	Un-audited December 31, 2013	Audited June 2013	Un-audited December 31, 2013	Audited June 2013
	-----No. of shares-----		-----Rupees'000'-----	
Food & personal care products				
Gillette Pakistan Limited	175,285	174,285	48,598	67,954
Chemical				
Nimir Industries Chemicals Limited	150,000	150,000	1,119	621
Leasing				
Security Leasing Corporation Limited	-	858,935	-	2,671
Textile Composite				
International Knitware Limited	255,301	240,801	2,208	1,698
	<u>580,586</u>	<u>1,424,021</u>	<u>51,925</u>	<u>72,944</u>

9. FINANCIAL ASSETS - INVESTMENTS

at fair value through profit or loss

	Note	Un-audited December 31, 2013	Audited June 2013
		-----Rupees'000'-----	
Associated company	9.1	4,734	2,790
Other listed companies	9.2	44,464	24,893
		<u>49,198</u>	<u>27,683</u>

9.1 Associated companies

Chemicals

	Un-audited December 31, 2013	Audited June 30, 2013	Un-audited December 31, 2013	Audited June 30, 2013
	No. of Shares / Certificates		----- Rupees "000" -----	
United Distributors Pakistan	180,000	180,000	3,499	2,790

Pharma and Biotech

The Searle Company	10,000	-	1,236	-
	<u>190,000</u>	<u>180,000</u>	<u>4,734</u>	<u>2,790</u>

	Un-audited December 31, 2013	Audited June 30, 2013	Un-audited December 31, 2013	Audited June 30, 2013
9.2 Other listed companies	No. of Shares / Certificates			
	----- Rupees "000" -----			
Chemical				
Nimir Industrial Chemicals	35,000	-	261	-
Arif Habib Corporation Limited	121,000	121,000	2,692	2,681
Equity Investment Instruments				
First Fidelity Leasing Modaraba	20,630	20,630	54	69
Unicap Modaraba	36,500	36,500	5	5
Construction & Materials				
Attock Cement Company	8,050	20,000	1,148	2,640
D.G. Khan	25,000	-	2,143	-
Lafarge Pakistan	200,000	200,000	1,672	1,698
Lucky Cement	25,000	-	7,497	-
Maple leaf Cement Company Ltd	50,000	50,000	1,371	1,097
Fixed Line Telecommunication				
Worldcall Telecom Ltd	200,000	200,000	496	600
Industrial Metals & Mining				
Crescent Steel & Allied Products	3,025	2,750	143	124
Oil & Gas				
Pakistan Petroleum Limited	31,500	26,250	6,740	5,554
Attock Refinery Limited	25,000	-	5,192	-
Pakistan State Oil Company	35,000	25,000	11,628	8,009
Shell (Pakistan)	10,000	10,000	1,904	1,432
Pharma and Biotech				
Abbot Laboratories	-	3,000	-	984
Electricity				
Hub Power	25,000	-	1,518	-
	850,705	715,130	44,464	24,893
10 CASH AND BANK BALANCES	Note			
Cash in hand			79	-
Cash at banks				
- PLS saving accounts		10.1	64,975	87,170
- Current accounts			10,704	8,681
			75,679	95,851
			75,758	95,851
10.1	Rate of return on these accounts range from 5% to 9.00% per annum (June 2013: 5% to 9.00%)			
11 ASSETS HELD FOR SALE			2,534	-
Investment in Associate				
	Quarter ended		Half year ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
12 INCOME FROM MODARABA BUSINESS	----- Rupees "000" -----			
Income from ijarah operations	38,452	33,054	76,515	65,033
Income from diminishing musharika receivables	728	4,052	1,533	9,092
Income from investments	14,318	1,739	22,090	1,820
Income from other sources	2,365	2,585	3,928	3,970
	55,863	41,431	104,066	79,916
	Quarter ended		Half year ended	
13 OPERATING EXPENSES	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	----- Rupees "000" -----			
Modaraba Business	9,339	8,203	17,363	14,031
Pharma Business	8,766		20,667	
	18,105	8,203	38,030	14,031
14 EARNINGS PER CERTIFICATE				
Profit for the period (Rupees in "000")	11,655	9,290	16,354	21,131
Weighted average number of certificates	26,386,589	26,386,589	26,386,589	26,386,589
Earning per certificate - basic	0.44	0.35	0.62	0.80

15 SEGMENT INFORMATION

Segment revenue, segment result, cost, assets and liabilities for the six months are as follows:

	December 31, 2013					Total
	Ijarah operations	Musharika	Investments	Others	Pharma	
	----- Rupees "000" -----					
Segment revenue	76,515	1,533	22,090	3,928	2,075	106,142
RESULT						
Segment Result						
Amortization of Ijarah assets	62,260	-	-	-	-	62,260
Unallocated operating expenses	-	-	-	-	-	17,363
Financial and other charges	-	-	-	-	-	12
Cost related to Pharma	-	-	-	-	20,667	20,667
Modaraba Co.'s Magn. Fee	-	-	-	-	-	1,817
	62,260	-	-	-	20,667	102,120
Operating Profit	14,255	1,533	22,090	3,928	(18,591)	4,022
Unrealized gain on re-measurement of Inv. at fair value through P / L	-	-	4,814	-	-	4,814
Share of profit from associates	-	-	7,518	-	-	7,518
Profit for the half year						16,354
Other information						
Segment assets	299,837	14,213	147,771	106,272	202,293	770,385
Total assets	299,837	14,213	147,771	106,272	202,293	770,385
Segment liabilities	113,573	-	-	136,281	917	250,771
Unallocated liabilities	-	-	-	-	-	-
Total liabilities	113,573	-	-	136,281	917	250,771
Net assets						519,615
Capital expenditure	45,601	-	-	-	21,692	67,293

	December 31, 2012				Total
	Ijarah operations	Musharaka	Investments	Others	
	----- Rupees "000" -----				
Segment revenue	<u>65,034</u>	<u>9,092</u>	<u>1,820</u>	<u>3,969</u>	<u>79,915</u>

RESULT

Segment Result	65,034	9,092	1,820	3,969	79,915
Amortization of Ijarah assets	50,198	-	-	-	50,198
Operating expenses	-	-	-	-	-
Unallocated operating expenses	-	8,573	1,716	3,742	14,031
Financial and other charges	22	3	1	1	27
Share of profit from associates	-	-	(6,938)	-	(6,938)
Modaraba company's management fee	-	-	-	-	-
	<u>1,911</u>	<u>267</u>	<u>0</u>	<u>117</u>	<u>2,348</u>
					<u>59,666</u>
Operating Profit					<u>20,249</u>

Unrealized gain on re-measurement of investment at fair value through profit or loss

	-	-	882	-	882
--	---	---	-----	---	-----

Profit for the half year

21,131

Other information

Segment assets	272,912	100,354	94,662	-	467,928
Unallocated assets	-	-	-	-	283,809
Total assets	<u>272,912</u>	<u>100,354</u>	<u>94,662</u>	<u>-</u>	<u>751,737</u>
Segment liabilities	80,025	-	-	-	80,025
Unallocated liabilities	-	-	-	-	164,023
Total liabilities	<u>80,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>244,048</u>
Net assets					<u>507,689</u>
Capital expenditure	<u>46,280</u>	<u>-</u>	<u>-</u>	<u>8,868</u>	<u>55,148</u>

15.1 Segment revenue represents revenue generated from external customers. There are no intersegment sales.

15.2 Others represents the assets and liabilities of Modaraba Business.

16 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise related group companies, directors and close family members, executives, major shareholders and staff retirement funds of the company. These are the associated companies as they are either under the same management and / or with common directors. The company has a policy whereby all transactions with related parties are entered into arm's length prices using the comparable uncontrollable method. The significant transactions with these associated companies are as follows:

	December 31, 2013	December 31, 2012
	----- Rupees "000" -----	
Modaraba company's management fee	<u>1,817</u>	<u>2,348</u>
Shares purchased / (sold) of associated undertakings		
- The Searle Company	<u>(5,971)</u>	<u>335,843</u>
- IBL Healthcare Limited	<u>(544)</u>	<u>(7,117)</u>
- United Brands Limited	<u>(62)</u>	<u>-</u>
- United Distributions Pakistan Limited	<u>6,485</u>	<u>230,000</u>

17 FINANCIAL RISK MANAGEMENT

The Modarabas' financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2013.

18 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were approved and authorized for issue on February 26, 2014, by the Board of Directors of the Modaraba company.

19 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors have proposed interim dividend for the half year ended December 31, 2013 of Rs.0.60 per certificate (December 31, 2012: Rs. Nil), amounting to Rs. 15,831,954 (December 31, 2012: Rs. Nil) at their meeting held on February 26, 2014. The financial statements for the half year ended December 31, 2013 do not include the effect of the above which will be accounted for in the period in which it is declared.

20 GENERAL

The figures have been rounded off to the nearest thousand rupees.

For UDL Modaraba Management (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR