



Third Quarter Ended Report

March 31, 2012

(Un-audited)

FIRST UDL MODARABA

Managed By:

UDL Modaraba Management (Pvt) Limited

FIRST UDL MODARABA

Directors' Review

The Board of Directors of UDL Modaraba Management Private Ltd., the Management Company has pleasure in presenting the un-audited accounts of First UDL Modaraba for the third quarter and nine months period ended March 31, 2012.

Review of Operations:

During the period nine months under review your Modaraba has posted little lesser profitability amounting to Rs. 40.4 million as against Rs. 57.8 million during the comparative period last year which was higher because of one time gain booked on disposal of investment in an associated company.

Profitability during the quarter has however improved owing to buoyancy in the stock markets entailing unrealized gain on the investment portfolio. You will also observe an improvement in other core activities like Ijarah and Musharika contributing towards better profitability, while expenses of the Modaraba have been kept under strict control.

This level of profitability is considered satisfactory by the management particularly when viewed in the existing market conditions significantly marred by severe stagflation and uncertainty prevailing in the country.

Acknowledgement:

The Board appreciates the continued support received from regulatory authorities, certificate holders and customers. The trust and confidence demonstrated by investors in the Modaraba is also gratefully acknowledged

The Board also recognizes the commendable efforts of the staff members of the First UDL Modaraba without which the Modaraba's success could not have been possible.

On Behalf of the Board

A.W.Rahi
Managing Director
30-04-2012

**FIRST UDL MODARABA
BALANCE SHEET - (Un-audited)
AS AT MARCH 31, 2012**

	(Un-audited) March 31, 2012	(Audited) June 30, 2011
Note	----- Rupees in "000" -----	
LIABILITIES AND EQUITY		
Certificate holders' equity		
Certificate capital:		
Authorized capital 50,000,000 (June 30, 2011: 50,000,000) modaraba certificates of Rupees 10 each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up certificate capital	<u>263,866</u>	<u>263,866</u>
Statutory reserve	183,425	183,425
Revenue reserves		
Unrealized gain on remeasurement of available for sale investments	<u>(81)</u>	<u>(203)</u>
Unappropriated profit	<u>61,588</u>	<u>47,573</u>
	<u>61,507</u>	<u>47,370</u>
Total equity	508,798	494,661
Non-current liabilities		
Long term security deposits	<u>33,892</u>	<u>24,533</u>
Deferred liabilities	<u>105,467</u>	<u>105,467</u>
	<u>139,359</u>	<u>130,000</u>
Current liabilities		
Current maturity of security deposits	<u>38,582</u>	<u>9,524</u>
Payable to management company	<u>4,489</u>	<u>4,333</u>
Accrued and other liabilities	<u>25,333</u>	<u>21,407</u>
	<u>68,404</u>	<u>35,264</u>
Contingencies and commitments		
Total liabilities and equity	<u>716,561</u>	<u>659,925</u>
ASSETS		
Non-current assets		
Fixed assets - tangible	<u>300,111</u>	<u>149,875</u>
Capital work in progress	<u>1,400</u>	<u>900</u>
Long term investments	<u>65,636</u>	<u>42,218</u>
Long term advances and deposits	<u>74</u>	<u>74</u>
	<u>367,221</u>	<u>193,067</u>
Current assets		
Ijarah rental receivables	<u>4,430</u>	<u>3,077</u>
Musharika receivables - secured	<u>172,693</u>	<u>157,620</u>
Financial assets - investments at fair value through profit or loss	<u>9,458</u>	<u>40,999</u>
Advances - considered good	<u>221</u>	<u>793</u>
Prepayments and other receivables	<u>11,819</u>	<u>13,521</u>
Cash and bank balances	<u>150,719</u>	<u>250,848</u>
	<u>349,340</u>	<u>466,858</u>
Total assets	<u>716,561</u>	<u>659,925</u>

The annexed notes from 1 to 10 form an integral part of the condensed interim financial statement.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

FIRST UDL MODARABA
PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2012

	Quarter ended		Nine Months Ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Note	----- Rupees "000" -----			
Income from Ijarah operations	31,420	15,326	84,031	46,223
Income from Musharika receivables	1,655	12,039	15,923	36,034
Income from investments	(154)	10,814	2,363	24,207
Income from other sources	3,424	795	12,903	5,019
	36,345	38,974	115,220	111,483
Operating expenses	5,088	4,152	17,926	14,583
Amortization on assets leased out under Ijarah	24,869	8,641	64,484	34,598
Financial charges	1	3	18	4
	29,958	12,796	82,428	49,185
Operating profit	6,387	26,178	32,792	62,298
Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss	11,093	(759)	4,895	1,443
Share of profit / (loss) from associates (unrealized)	7,849	(1,945)	7,202	509
	25,329	23,474	44,889	64,250
Modaraba company's management fee	2,533	2,347	4,489	6,425
Profit for the period	22,796	21,127	40,400	57,825
Earnings per certificate - basic and diluted	0.86	0.80	1.53	2.19

The annexed notes from 1 to 10 form an integral part of the condensed interim financial statement.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

FIRST UDL MODARABA
STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2012

	Quarter ended		Nine Months Ended	
	31-Mar 2012	31-Mar 2011	31-Mar 2012	31-Mar 2011
	----- Rupees"000" -----			
Profit for the period	22,796	21,127	40,400	57,825
Other comprehensive income				
Unrealised (loss) / gain on re-measurement of available for sale investments	(3)	(94)	122	(662)
Taxation relating to components of other comprehensive income	-	-	-	-
Other comprehensive income after income tax	(3)	(94)	122	(662)
Total comprehensive income	22,793	21,033	40,522	57,163

The annexed notes from 1 to 10 form an integral part of the condensed interim financial statement.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**FIRST UDL MODARABA
CASH FLOW STATEMENT - (Un-audited)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012**

	March 31, 2012	March 31, 2011
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	40,400	57,825
Adjustment of non cash/non operating items:		
Depreciation on owned assets	1,380	875
Amortization of assets leased out	64,484	34,598
Financial charges	18	4
Gain on sale of leased assets	520	-
Share of profit from associates	(7,202)	(509)
Dividend income	(270)	(820)
Gain on sale of investment	(2,092)	(24,207)
Impairment gain on available for sale investment	122	662
Unrealised gain on re-measurement on investments	(4,895)	(1,443)
	<u>52,065</u>	<u>9,160</u>
	92,465	66,985
Changes in working capital:		
(Increase) / decrease in current assets		
Stock-in-trade	-	10,277
Ijarah rental receivables	(1,353)	861
Musharika receivables	(15,073)	(5,558)
Financial Assets	31,541	(15,707)
Advances, Prepayments and other receivables	2,274	(2,917)
	<u>17,389</u>	<u>(13,044)</u>
Increase / (decrease) in current liabilities		
Current maturity of security deposits	29,058	(335)
Payable to management company	156	(9,373)
Accrued and other liabilities	3,926	(4,607)
	<u>142,994</u>	<u>39,626</u>
Financial charges paid	(18)	(4)
Profit distributed to certificate holders	(26,386)	(32,983)
	<u>(26,404)</u>	<u>(32,987)</u>
	116,590	6,639
<i>Net cash flows generated from/(used in) operating activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - leased out	(219,083)	(23,235)
Purchase of fixed assets - Own	(2,015)	(5,948)
Long term investments	(23,418)	46,339
Proceeds from sale of fixed assets - leased out	5,832	19,839
Dividends received	270	820
Profit received on bank deposits	12,336	-
<i>Net cash flows (used in) investing activities</i>	<u>(226,078)</u>	<u>37,815</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term security deposits	9,359	3,107
<i>Net cash flows (used in) /generated from financing activities</i>	<u>9,359</u>	<u>3,107</u>
Net change in cash and cash equivalents during the period	(100,129)	47,561
Cash and cash equivalents at the beginning of the period	250,848	61,339
Cash and cash equivalents at the end of the period	<u>150,719</u>	<u>108,900</u>

The annexed notes from 1 to 10 form an integral part of the condensed interim financial statement.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**FIRST UDL MODARABA
STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012**

	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 1, 2010	263,866	161,537	486	49,275	475,164
Profit distribution in cash in June 30, 2010	-	-	-	(32,983)	(32,983)
Interim Profit distribution in cash in December 31, 2010	-	-	-	(19,790)	(19,790)
Total comprehensive income for the period ended June 30, 2011	-	-	(689)	72,960	72,271
Transfer to statutory reserves	-	21,888	-	(21,888)	-
Balance as at June 30, 2011	263,866	183,425	(203)	47,574	494,662
Profit distribution in cash in June 30, 2011	-	-	-	(26,386)	(26,386)
Total comprehensive income for the period ended March 31, 2012	-	-	122	40,400	40,522
Balance as at March 31, 2012	263,866	183,425	(81)	61,588	508,798

*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 10 form an integral part of the condensed interim financial statement.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

FIRST UDL MODARABA
SELECTED NOTES TO THE FINANCIAL STATEMENTS - (Un-audited)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012

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 1st floor, N.I.C. Building, Abbasi Shaheed Road, off Shahrah-e-Faisal, 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 and trading in listed and non-interest bearing securities. The Modaraba is listed on Karachi, Islamabad and Lahore Stock Exchanges.

2. BASIS OF PREPARATION

These financial statements comprise balance sheet, profit and loss, statement of comprehensive income, statement of cash flows, statement of changes in equity and explanatory notes 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 benefit have been recognised at value determined by the actuary.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Ordinance, 1984, provisions of and directives issued under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Companies Ordinance, 1984 shall prevail.

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 with out applying the requirements of said IAS to the Modarabas. However, the requirements of above IAS have been considered for the purpose of preparations of these financial statements.

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, 2011

	Note	Un-audited March 31, 2012	Audited June 30, 2011
----- Rupees "000" -----			
5. ACCRUED & OTHER LIABILITIES			
Accrued Liabilities		6,600	4,750
Other Liabilities			
Provision for taxation		4,688	4,765
Unclaimed profit distribution		10,228	8,637
WWF		2,461	2,461
Others		1,356	794
		25,333	21,407
6. LONG TERM INVESTMENTS			
Available for sale			
Associated companies	6.1	50,166	39,494
Listed companies	6.2	15,470	2,724
		65,636	42,218
Held to maturity			
Term finance certificates (TFCs) - Series B		927	927
		927	927
Provision for non-performing assets		(927)	(927)
		65,636	42,218

	Un-audited March 31, 2012 -----No. of shares-----	Audited June 2011	Un-audited March 31, 2012 ----- Rupees "000" -----	Audited June 30, 2011
6.1 Associated companies				
Pharma & Bio Tech				
Searle Pakistan Limited	839,608	546,154	39,626	21,183
Personal Goods				
United Brands Limited	69,060	5,500	2,993	258
IBL Healthcare Limited	240,000	535,854	5,207	11,504
Chemical				
United Distributors Pakistan Ltd.	211,500	729,862	2,340	6,549
	<u>1,360,168</u>	<u>1,817,370</u>	<u>50,166</u>	<u>39,494</u>

6.1.1 The latest available financial results of associate as of March 31, 2012 have been used for the purpose of application of equity method

6.2 Listed companies

Food & personal care products				
Gillette Pakistan Limited	191,302	1,000	11,828	57
Chemical				
Nimir Industries Chemicals Limited	150,000	204,022	255	571
Leasing				
Security Leasing Corporation Limited	858,935	858,935	2,044	1,718
Textile Composite				
International Knitware Limited	168,301	72,025	1,343	378
	<u>1,368,538</u>	<u>1,135,982</u>	<u>15,470</u>	<u>2,724</u>

The nominal value of all shares is Rs. 10 each.

7. FINANCIAL ASSETS - INVESTMENTS

at fair value through profit or loss	Note		
Associated company	7.1	-	18,367
Other listed companies	7.2	9,458	22,632
		<u>9,458</u>	<u>40,999</u>

	Un-audited March 31, 2012	Audited June 30, 2011	Un-audited March 31, 2012	Audited June 30, 2011
	No. of Shares / Certificates		----- Rupees "000" -----	
7.1 Associated companies				
Personal Care Products				
United Brands Limited	-	69,060	-	1,898
Pharma & Bio Tech				
IBL Healthcare Limited	-	240,000	-	2,280
Searle Pakistan Limited	-	217,126	-	11,801
Chemicals				
United Distributors Pakistan Limited	-	175,500	-	2,388
	-	701,686	-	18,367
7.2 Other listed companies				
Financial Services				
Al-Zamin Leasing Corporation Limited	321	321	1	1
Arif Habib Corporation Limited	110,000	215,000	2,670	5,654
Textile Spinning				
Hajra Textile	-	15,000	-	9
Saif Textile	-	31,567	-	223
International Knitwear	-	96,276	-	505
Food & Personal Care Products				
Gillette Pakistan Limited	-	178,989	-	10,224
Modaraba				
First Fidelity Leasing Modaraba	20,630	-	33	-
Unicap Modaraba	36,500	36,500	3	4
Chemical				
Lotte Pakistan PTA Limited	100,000	-	945	-
Construction & Materials				
Deewan Cement Limited	-	5,000	-	8
Lafarge Pakistan Cement Ltd	-	200,000	-	540
Industrial Metals & Mining				
Dost Steels Limited	-	1,500	-	3
Crescent Steel & Allied Products Ltd	2,750	2,750	74	71
Fixed Line Telecommunication				
Telecard	-	100,000	-	154
Worldcall Telecom Ltd	400,000	400,000	1,444	844
Support Services				
TRG Pakistan Limited	-	100,000	-	257
Automobile & Parts				
Honda Atlas Cars Limited	-	4,000	-	40
Real Estate Investment				
Pace Pakistan Limited	200,000	300,000	545	665
Electricity				
Nishat Power Company	213,566	213,566	3,743	3,298
Southern Electric Power	-	100,000	-	131
			9,458	22,632

The nominal value of all shares & certificates is Rs. 10 each.

8. 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, 2011.

9. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were approved and authorized for issue on April 30, 2012 by the Board of Directors of the Modaraba company.

10. GENERAL

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

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR